FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Iceland cuts British links

...d has broken off diplomatic relations with Britain, the ... time that two NATO ...ies have severed links in ...26-year history of the ...e.

...presence and activities of ... trawlers and frigates ... Iceland's unilaterally ...ed 200-mile zone were ... The Foreign Office ...d that Iceland had esca... the dispute and "cut off ... principal direct channel of ...unication through which a ...n could be found."

...Einar Agustsson, Icelandic ...n Minister, said the break ...een delayed while Dr. ... Luns, the NATO Secre...neral, tried to find a new ... or resuming negotiations. ...ns said yesterday he was ... to continue his mediation ...Back and Page 16

...urity move

...raft carrying the remains ...nger-striker Frank Stagg ... London to Dublin was ...d to Shannon at the ... of the Irish Government ...urity reasons. An attempt ... made to forestall the Pro...l IRA, which plans a full ...y funeral in Ballina, Co. ... on Sunday.

...th on his own

... troops will not be used ...tect the Smith régime in ...sia under any circum...s, Mr. David Ennals, ...er of State at the Foreign ... said in London. Back Page

...ge criticised

...Appeal Court said Mr. ... Melford Stevenson's ...n to jail a man for four ...for handling a stolen TV ...s "beyond all reason." It ... sentence to 12 months. ...Widgery, the Lord Chief ..., said that a Norwich ...harged with assault had ...pressed by Mr. Justice ...son to plead guilty before ...ge had heard any defence ...e. The Appeal Court ...d the conviction and ...l a retrial.

...r-day decision

...l Bailey jury, after con...g evidence for four days, ...than any other jury this ..., found five members of ...ed gang guilty of plotting ...rrying out robberies in ...ire and London. They ...ailed for a total of 48

...fson £½m. gift

...ac Wolfson, chairman and ...anaging director of Great ...sal Stores, has given ...0 to establish an educa... charitable trust in Scot-

...nglais banned

...ch law, which comes into ... next year, makes the use ...licisms in advertisements, ...ntracts and sales docu... liable to fines up to £17 ...irst offence.

...iet hard line

...viet Union has refused to ... the visa of conductor ...ii Rozhdestvensky, at pre... Sweden, to enable him ...duct the Stockholm Phil...nic at Norway's Bergen ...festival in May.

...som puzzle

...her of the kidnapped Paris ... director of Saab, the ...h car company, said he ... ransom worth £1.1m. on ...sday but still had no news ...son, seized two weeks ago.

...fly ...

...en died when a light air...rashed in a field used as a ... landing strip at Benenden.

...mmons is expected in the ...w weeks to agree to radio ...asts of its proceedings on ...nent basis. Page 16

BUSINESS

Wall St. up 15 in record trading

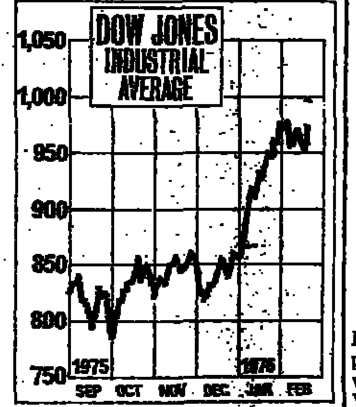
● EQUITIES were nervous with the FT 30-share index after ICI's results recovering early falls to close 0.6 lower at 396.7. The White Paper had little impact.

● GILTS were encouraged by the projected Government cuts and after early falls of ¼ to ¾ rallied to finish only up to ¼ lower.

● STERLING ended at $2.0240 for a 5 points loss. Its weighted depreciation was unchanged at 30.4 per cent. The dollar's was 2.76 per cent. (2.72).

● GOLD eased 25 cents to $131.

● WALL STREET rose 15.67 to 975.76 in a record trading volume of 39.2m. shares. A key



factor behind the buoyancy was the forecast by consultants to the U.S. Business Council of a 25 per cent. gain in corporate profits this year.

● CHRYSLER U.K. has announced the reorganisation of its top management in the wake of the Government-financed rescue package. Mr. Don Lander, chief of Chrysler U.K. becomes vice-president, Europe.

Wider French trade deficit

● FRANCE'S trade deficit in January was the biggest since September at Frs.1.37bn. (about £150m.) but the franc was only slightly weaker.

● UNIT TRUST sales rose 60 per cent. in Janauary to £36.4m., the highest level since June 1973. Page 7

● MACHINE TOOL industry orders in hand are at the lowest level since 1973, according to official statistics. Page 8

● BRITISH GAS has received two loans worth £20m. from the European Investment Bank to finance gas transmission from the Frigg Field. Page 8

● CAR PRODUCTION in the U.K. showed no signs of recovery in January from the low levels of last year according to Dept. of Industry figures.

● GREAT UNIVERSAL STORES is closing a third of its menswear shops because they are too small to make a profit. Page 7

LABOUR

● FELIXSTOWE dock workers have refused to support either the takeover offer by the British Transport Docks Board or the counter-bid of £6.8m. announced yesterday by European Ferries.

COMPANIES

● TRUST HOUSES FORTE reports profits before tax of £15.6m. in the year to October 1975 against £11.26m. previously. Page 25 and Lex.

● LIFEGUARD Assurance Group, which faces financial difficulties, will continue to meet contractual obligations to over 100,000 policyholders following a fund-raising operation. Page 8

● BRITISH-AMERICAN Tobacco's chairman, Sir Richard Dobson, does not believe the fall in U.S. cigarette sales indicates a major decline.
Page 21 and Men and Matters

...F PRICE CHANGES YESTERDAY

(...in pence unless otherwise indicated)

RISES

... and Smithers	238	+ 8
... Group	65	+ 5
... Bros.	75	+ 3
... (R.)	223	+ 5
...ross	77	+ 4
...	384	+ 7
...er Ship Canal	190	+ 4
...rade Suppliers	87	+ 5
... (H.)	93	+ 8
...ham Brick	115	+ 12
...d Chartered	445	+ 5
...le	31	+ 5
...r	438	+ 4
...ood	220	+ 8
...gate Plat.	85	+ 5
...at.	138	+ 8
... Cons.	117	+ 7

FALLS

...13½pc '97 "A"	£99¼	— ½
Treasury 10½pc '79	£99⅞	— ⅛
Assed. Fisheries	27	— 3
AP Cement	178	— 4
Barlow Rand	208	— 5
Beaumont Props.	64	— 4
Berkeley Hambro	126	— 6
Bullough	79	— 4
Cater Ryder	270	— 5
Haslemere Estates	192	— 6
IC Gas	320	— 6
Johnson Matthey	340	— 12
Laing (J.) "A"	104	— 4
Ofrex	70	— 4
Royal Insurance	320	— 6
Sime Darby	118	— 3
Ultramar	172	— 4
Woodside-Burmah	112	— 4
Anglo-American	309	— 7
Northgate Explo.	410	— 45
Southvaal	450	— 20
Welkom	285	— 15
Westfield Minerals	152	— 20

Education, roads, housing and food subsidies programmes trimmed sharply

Public spending 'cut' £2.4bn.

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE BIGGEST public expenditure cutting exercise for many years—which hits education, roads, housing and food subsidies particularly hard—has ended with the Treasury warning that the burden of taxation will still increase over the next few years, and that between now and 1980 there is precious little scope for increases in consumer spending.

In political terms, Mr. Denis Healey, Chancellor of the Exchequer, can claim to have achieved "cuts" rising to an annual rate of £3bn. by 1978-79, including reductions in the spending plans for many of Labour's "sacred cows."

But he was aiming at £3¾bn., and after allowing for an increase of £600m. in Government help for industry and employment, the net reductions amount to £2.4bn. since last year's White Paper.

Yesterday he described the public spending exercise as "a long, harrowing but necessary process," which he hoped would arrest the U.K.'s industrial decline and avoid a drift to levels of taxation which were "not consistent with a healthy economy."

In most cases, however, the "cuts" are essentially designed to prevent the growth in spending which would otherwise have taken place.

The attempt to "stabilise" public expenditure in volume terms has occurred while estimates for spending in the current and 1976-77 financial years have been revised upwards, to respectively £1.6bn. and £500m. above the levels outlined in last year's public expenditure White Paper.

These figures are given in the White Paper published yesterday —"Public Expenditure to 1979-1980"—where it is also revealed that the burden of servicing the national debt may add an estimated £3.3bn. to the volume of total public expenditure by 1978-79 compared with the estimate in last year's White Paper.

Without the public spending exercise, the Chancellor said yesterday, the Government's public spending plans would have meant a marginal tax (and social security contribution) rate of between 51p and 55p in the £ by 1979, compared with an estimated 41p at present. With the cuts, the projected marginal rate is in the 43 to 47p range.

This calculation, he emphasised, was based on the assumption that all tax allowances and specific duties were indexed to allow for inflation.

There is, however, no question of any Government intention to adjust the tax system fully in this way (the technical Inland Revenue term is "revalorisation").

The implication is that the Government intends to let the effects of inflation do much of the work needed to raise the burden of taxes, although this would be compatible with sporadic "concessions" in the shape of minor adjustments to tax allowances.

The cuts deemed necessary to alleviate the country's tax burden and free resources for more productive use have fallen heavily on education, where reductions rising to £620m. by 1978-79 have been ordered.

Large-scale reductions of some £500m. are planned in the roads and transport programme (including rail); and the major element in planned reductions of £365m. in the housing programme and of £205m. in the "agriculture, fisheries and forestery" bill by 1978-79 is an assault on housing subsidies (as distinct from housebuilding) and food subsidies.

Mr. Joel Barnett, Chief Secretary to the Treasury, and the man in charge of the review, was at pains to point out yesterday that at least one of Labour's priorities — the housebuilding programme itself—had not been cut, and that areas such as pensions, overseas aid, development grants and legal aid had been left out of the review altogether.

One change — a downward revision of £325m. for nationalised industries' capital expenditure by 1978-79 — was easy because of the effect the phasing-

Continued on Back Page

PUBLIC SPENDING

Changes from previous plans

	75-76 £m.*	76-77 £m.*	77-78 £m.*	78-79 £m.*
Defence	— 9	+ 2	—173	—198
Overseas aid and services	—125	— 40	— 58	— 63
Agriculture, fisheries and forestry	+295	+ 36	—131	—231
Trade, industry and employment	+196	+ 70	+107	+158
State industries' capital spending	+303	— 41	—249	—324
Roads and transport	+ 1	— 54	—338	—506
Housing	+ 7	—156	—287	—368
Other environmental services	+ 49	—	—212	—331
Law, order and protective services	+ 27	+ 39	— 51	—110
Education, libraries, science, arts	+ 34	+ 21	—331	—618
Health and personal social services	+ 4	+ 13	—145	—204
Social security	+173	+445	+264	+ 2
Other public services	+ 50	+ 64	+ 67	+ 54
Common services	+ 3	+ 6	— 32	— 49
Northern Ireland	+ 12	+ 54	— 2	— 46
Civil Service staff costs	—	—	— 50	—140
* At 1975 survey prices	+1,020	+459	—1,621	—2,974

White Paper, Page 12 ● Special features, Pages 13, 18 and 19 ● Editorial Comment, Page 18 ● Reactions, Page 11 ● Lex, Back Page

Proposals assailed from all sides at Westminster

BY RICHARD EVANS, LOBBY CORRESPONDENT

POLITICAL REACTION to the public expenditure White Paper was overwhelmingly hostile at Westminster last night, ranging from the Conservative claim that the Government had done "too little, too late," to the Tribune group's description of "a document of shame."

Left-wing fury at the cuts in projected expenditure will stop short of doing anything that would defeat the Government and lead to a Conservative Administration pledged to even greater reductions, but the issue promises to be a running sore in the Labour movement for the foreseeable future.

The Tribune group was already planning a campaign last night to rally party and trade union support, to ensure that the cuts do not take place, by using the demand for their reinstatement as a potent weapon in the forthcoming talks on the future of the Government pay policy.

It seems increasingly likely that an emergency Labour Party conference on the public spending cuts and the unemployment situation will be held in June.

A move will be made for the conference at next Wednesday's meeting of the National Executive Committee, where the Left is predominant.

The first hurdle the Government will have to surmount will be a Commons debate on the cuts to be held in two or three weeks' time.

From the sharp tone of Left-wing comments yesterday, and from the morose attitude of many moderate Labour MPs, the Government could face the threat of abstentions.

But Ministers will be able to play their trump card—that a defeat could mean a general election and a Conservative Government.

The Conservatives, Liberals and Scottish Nationalists all came out with statements fiercely critical of the White Paper last night.

Sir Geoffrey Howe, "shadow" Chancellor, claimed it was "a devastating admission of the Government's huge mistakes for the last two years, coupled with an obstinate refusal to correct them until much too late.

"Soaring public expenditure and crippling taxes have been the inevitable consequence of the false hopes raised by Labour propaganda over the years most of all in the two elections of 1974."

Mr. Healey's case against himself was: "We got it hopelessly wrong. We know what we ought to do to put it right, but we do not intend to try for at least another year," Sir Geoffrey declared.

Tory leaders were also pointing out that the White Paper showed that what the Chancellor was doing was cutting public expenditure to pay for the interest on the National Debt. Estimates of debt interest show a rise from £5bn. in the current financial year to £7.5bn. in 1979-80 at constant prices.

There were angry exchanges in the Commons before publication of the White Paper, when Mrs. Thatcher asked Mr. Wilson how he proposed to cut the burden of taxation next year without also cutting public expenditure.

"Does the Prime Minister intend to make up the difference yet again by borrowing, thus postponing the day of reckoning even further?" she demanded.

Mr. Wilson retorted by challenging the Conservative Leader to state what further cuts in public expenditure her party would make.

"You have never said what you would cut, apart from increasing defence expenditure by £5bn., and apart from your election bribes on rates and mortgages," he yelled above Tory jeers.

The vitriolic Tribune group statement ranked the White Paper with In Place of Strife as a document of shame. "It is the handmaiden of the City, the CBI and other enemies of Labour in the British Establishment," the statement declared.

The key to the Left's protests was that the White Paper was no part of Labour's last election manifesto.

"We were not elected to secure minor cuts in defence and major cuts in education, housing, health and public transport subsidies."

Mr. Richard Wainwright, Liberal Party spokesman on industry and trade, commented: "Most of the proposed cuts must be laid at the door of the Government as the price of four years' debauchery on tick."

Mr. Douglas Crawford, Scottish National Party spokesman on finance and industry, regarded the White Paper as the final indication of the inability of central demand management to cater for Scotland's needs and aspirations.

"It is scandalous that none of the revenues from Scotland's natural resources will be made available in Scotland and will clearly be used to prop up the English economy."

● A special meeting of the Parliamentary Labour Party has been called for next Wednesday when Mr. Healey and Mr. Joel Barnett, Chief Secretary, will face party protests.

Mr. Wilson assured backbenchers at last night's party meeting that all points made would be fully considered by Ministers.

Record £820m. last quarter sales for ICI

BY RHYS DAVID, CHEMICALS CORRESPONDENT

A SUBSTANTIAL recovery in the fourth quarter as a result of higher sales, particularly exports, has helped ICI to turn in better than expected year-end figures.

The company's sales climbed to a record £820m., compared with £777m. in the previous three months, and profits rose from the low of £66m. to £103m. Over the year as a whole sales were £3.099bn., a 5 per cent. increase on the £2.995bn. figure in 1974. But profits, at £327m., are down substantially on the £455m. a year ago.

The main factor behind the fourth-quarter improvement has been higher volume sales, with export markets showing an increase of about 20 per cent. compared with the previous three months. In the same period the home market showed only a 5 per cent. improvement. The rise in exports of about £30m. in the final quarter was still not quite enough to prevent ICI losing the place it won last year as top exporting company.

Though total sales in overseas markets rose from £1.756bn. in 1974 to £1.788bn. in 1975, an increase of 2 per cent., direct exports from the U.K. slipped back from £636m. to £586m., £3m. lower than the export figures reported by British Leyland for 1974-75 (Page 4).

Mr. Albert Frost, ICI's finance director, said yesterday that on the basis of the trading figures for the fourth quarter there appeared evidence that the bottom point in the economic cycle had been passed, but "it remained too early" to be sure how quickly recovery would take place.

The improvements so far noted by ICI have been in general chemicals—usually a highly reliable indicator—petrochemicals and plastics, but the company's fibre operations are still losing, though this has been reduced. A significant upturn has occurred in the U.S., but though there are signs of better trading on the Continent, where ICI lost about £15m. last year, against a profit of £50m. in 1974, recovery is expected to be gradual.

In spite of the better volume of sales in the fourth quarter the year as a whole saw a marked reduction in volume, which has still not recovered to 1974 levels. Sales by value increased because of higher average selling prices, but profits were hit by the combined effects of lower volume and substantially higher costs.

The stock market was nevertheless encouraged by ICI's results, and at the close the cmoapyn's shares were up 7p at 384p.

Details, Page 20; Lex, Back Page

Miners' leaders vote to end ban

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS' LEADERS yesterday completed their expected about-turn over the planned closure of Langwith colliery in Derbyshire by lifting the national overtime ban introduced last Monday.

By 14 votes to 11 a special meeting of the National Union of Mineworkers executive recognised the widespread rebellion against the ban, which has attracted only partial support, and decided to lift the sanctions immediately.

The executive, which has come in for much criticism for calling the ban without seeking the views of the rank-and-file miners, also decided, by 17 votes to 8, to hold a pithead ballot to seek endorsement of yesterday's decision. This will take about 10 days, and is expected to show widespread support for lifting the ban.

A call from Mr. Arthur Scargill, militant president of the Yorkshire miners, for continuation of the ban and a special one-day conference to draw up a policy towards pit closures was defeated by 15 votes to 9.

Mr. Joe Gormley, the union's moderate president, was obviously pleased with the decision which will enable him to take part in key talks to-day aimed at boosting the amount of coal used for generating electricity.

Mr. Gormley had warned that he would attend to-day's talks—between both sides of the coal industry and of the power supply industry under the chairmanship of Mr. Anthony Wedgwood Benn, the Energy Secretary—only if the industrial action was lifted.

To-day the National Coal Board and the NUM will urge the Central Electricity Generating Board to increase its coal burn by 11m. tons over the next two years by converting dual-fired power stations to coal.

Last night the NCB welcomed the union's decision to lift the ban which the Board claimed would otherwise have "jeopardised the industry's credibility as a major supplier of energy in the future."

The Board also tried to allay miners' fears that a new wave of pit closures was imminent by declaring: "We have no plans to shut large numbers of pits."

Yesterday's decision means that the Board will now go ahead with plans to run down Langwith over the next three years, although all 880 miners will be offered work at other pits nearby.

On other possible future closures, Mr. Gormley said yesterday that the union remained opposed in general to closures on economic grounds, but would argue each case on its merits.

He had called yesterday's special executive decision because of the "gut reaction" of miners to the overtime ban called last week by 11 votes to 10 when two members of the executive were absent and two others abstained.

Yesterday's about-turn resulted from last week's absentees voting against the ban, together with Mr. Harry Close, the cokemen's leader, who abstained last week, and Mr. Ted Mackay, North Wales miners' representative, who reversed his support for the ban. Mr. Mick McGahey, the union's Communist vice-president, who also abstained last week, voted for the ban.

£ in New York

—	Feb. 19	Previous
Spot	$2.0245-0260	$2.0235-0240
1 month	0.62-0.57 dis	0.71-0.66 dis
3 months	1.94-1.89 dis	1.92-1.87 dis
12 months	7.15-7.08 dis	7.25-7.15 dis

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

WINE BY EDMUND PENNING-ROWSELL

Another major claret sale

IT COMES as no surprise that Christie's latest wine-auction "spectacular," to be held in Quaglino's ballroom, Piccadilly, on March 25 and 26, is devoted to the Bordeaux stock of Delor et Cie., the Allied Breweries/Harvey's of Bristol subsidiary.

In Allied's recent account no less than £1.6m. was written off on account of its Bordeaux stocks.

Moreover, it has been the subject of comment in Bordeaux that Delor, holding there probably the largest amount of fine vintage clarets and having spent a vast sum on new cellars in the Médoc, has not followed other leading merchants in reducing excess and now over-valued stocks.

Not surprisingly, either, the biggest amount on offer from any chateau in the 32,000-case sale comes from Latour, in which Allied Breweries, through Harvey's, has a 25 per cent. holding.

No fewer than 2,192 cases of Latour from 1952-1971 vintages will be offered, with the accent on more recent years, such as 1966 (458 cases) and 1971 (271 cases).

Although all the other first-growths are represented, quantities are nothing like so large, but with an emphasis on younger vintages of which the market has been by no means short. These include 150 cases of Mouton-Rothschild 1969 and a similar amount of Haut-Brion 1971.

Among the 61 growths represented in the sale, there are pretty hefty quantities of recent vintages of some wines, with up to 250-dozen lots of minor names. There will also be 400-dozen each of Brane-Cantenac '66 and Calon-Ségur, and 120 cases of Yquem 1967.

Although the two-day sale will take place in London, the stock remains in Bordeaux, and as with the Rothschild sale last June, a large and perhaps the greater part will be sold direct to foreign buyers.

Great Britain II may break record by 2 days

ROY MULLENDER, skipper of Great Britain II, the leading yacht in the Financial Times Clipper Race from Sydney to England, was forecasting at noon yesterday that he would be in Dover by February 26, beating the 106-year-old record by nearly two days.

He was then north of the Azores, having passed the island of Santa Maria Ica 50 miles to port, and sailing fast under full mainsail and boomed-out Genoa in a 35-40 knot south westerly wind in medium to rough seas.

At times the yacht was surfing at speeds up to 20 knots. "It is very exciting," said Skipper Mullender in a direct radio telephone report to FT Race headquarters. "Just like being in a fast train on a very rough track shooting through flooded tunnels.

"If we can keep our nerve, it is eating up the 1,415 miles to Dover. At these speeds we could make 280 to 300 miles a day, but all we need is to average 200, and we could be in Dover in seven days.

This helter-skelter through the North Atlantic is in direct contrast to their situation just a day ago, when, becalmed, the crew swam in warm placid seas.

Roy Mullender reports that all crew are fit, the boat in excellent condition and all sails usable—including the "big boy" which CPO Bill Porter spent 24 hours mending, sewing and using 343 feet of adhesive tape.

Over 1,500 miles behind Great Britain II is Anaconda II, the Australian ketch which in turn is about 1,400 miles ahead of Great Escape, the Dutch boat.

CS and RB II Busnelli, the Italian schooner, has not reported since sailing from the Falkland Islands on February 4, where she had gone to repair a broken spreader and radio transmitter fault, but there is no cause for alarm.

Kriter II, the French ketch which had to return to Sydney and sailed again after 27 days, continues to make good progress.

Latest positions:

Great Britain II: 0800 GMT Feb. 19: 36 deg. 16 min N, 24 deg. 25 min. W.

Anaconda II: 2100 GMT Feb. 18: 12 deg. N, 35 deg. 30 min. W.

Great Escape: 1800 GMT Feb. 18: 13 deg. 30 min. S, 26 deg. 20 min. W.

Kriter II: 1200 GMT Feb. 15: 43 deg. 10 min. S, 38 deg. 34 min. W.

CS & RB II Busnelli: No report since leaving the Falkland Islands on Feb. 4.

RACING BY DOMINIC WIGAN

Cantabet for the Trout

GLANFORD BRIGG, Canadius, Even Swell and Cantabet are the four runners in to-day's Trout Chase (3.0) at Newcastle, and it will be disappointing if this race does not provide a fine spectacle.

All are past winners over this 'chase course, and a closely-fought finish is in prospect.

My idea of the probable winner is *Cantabet*, who represents Arthur Stephenson's in-form Bishop Auckland stable, in preference to The Gent.

The winner of four races already this term, including the Northumbria 'Chase over to-day's three-mile course and distance, Cantabet put up his best performance in defeat, when going down by the minimum distance to What A Buck in Haydock's Tote Northern 'Chase on January 10.

Although he followed that impressive Haydock display with a disappointing run in the Northern Trophy Chase here, Cantabet appeals as the likely winner with only 10st. in the saddle.

I expect to see him followed home by Even Swell, who never looked like recovering from a bad mistake in the early stages of the William Hill 'Chase at Wetherby last time out.

Even if he fails to land the feature even with Canadius, Arthur Stephenson's close friend and rival, Gordon Richards, should not be long in waiting for yet another winner, for *Miltoy* seems to have a reasonably simple task in the Beech Novices' 'Chase (3.30), now that

NEWCASTLE

1.30—Eversholt
2.00—Carnival Day***
2.30—Proteus Choice
3.00—Cantabet**
3.30—Miltoy
4.00—Purple Gem

FAKENHAM

2.15—Hilarity
2.45—Near and Far
4.15—Golden Autumn*

The Shining Lad, Border Skirmish and Salmo Lady have all come out.

A narrowly-beaten runner-up to George Ross at Carlisle towards the end of January, Miltoy made no mistake on his last appearance, defeating Kalrosa, whom he was meeting on level terms, by one and a-half lengths in Sedgefield's 12-runner Helton Novices' Chase.

A reproduction of that form ought to enable Miltoy to follow up with the minimum of fuss.

Another recent winner who should have few problems is Tony Dickinson's charge, *Carnival Day*, among the runners for the Sycamore Opportunity Hurdle (2.00). This powerfully-made gelding has won his last two races in impressive style, and has further improvement in him.

At Fakenham, where the three-mile Sandringham 'Chase (2.45) is the centrepiece of a disappointing programme, *Golden Autumn* could be one for the principally "Flat" stable of Gavin Pritchard-Gordon. Golden Autumn goes for the Cromer Four-Year-Old Hurdle (4.15).

Comedy of Errors, who was far from disgraced when failing to give 8 lb to Birds Nest at Wolverhampton four days ago, turns out again on Monday.

"I will run him in the City Trial Hurdle at Nottingham on Monday. That will be his last race before Cheltenham," said Fred Rimell, who will be trying to win a second successive Champion Hurdle with his handsome Goldhill nine-year-old.

Comedy of Errors remains a 3-1 chance in most books for the Champion Hurdle; while Night Nurse is generally quoted at either 3-1 or 7-2. Birds Nest and Lanzarote are both available at 5-1.

SALEROOM BY ANTONY THORNCROFT

Five aircraft at £1,000 apiece

THE MOST INTERESTING sale yesterday was in Wiltshire, at the RAF Colerne Aircraft Museum, where five famous aircraft were up for offer at about £1,000 each. The museum closes next month, and 29 aircraft have been found alternative homes. But a Hunter Mark 2, a Meteor 4, a Javelin Mark 9, a piston Provost training aircraft, and a 1936 Anson Mark 19 are up for sale.

After yesterday's viewing sealed bids will go to the Ministry of Defence, which will notify the successful purchasers next month. Some of the aircraft lack engines, and all would need re-fitting and maintenance before they could take to the air again.

Back in London there was a mundane Continental furniture sale at Christie's which did well, with the disappointments made good by high prices elsewhere. For example, a German collector paid £2,900, more than double the top estimate, for an ormolu and porcelain clock set of Louis XV design. A. and F. Gordon paid the same sum (and easily topped the forecast) for a Dutch marquetry late 18th-century armoire.

A late 18th-century marquetry commode sold to Stodel for £2,500, and Steinitz gave £2,400 for a French provincial walnut buffet. Another good price was the £2,200 from A. and F. Gordon for a pair of Italian giltwood torchères, the same for a Dutch marquetry display cabinet, and for a Regency kingwood bombe commode.

For the first time at Sotheby's in Chancery Lane art reference books were split up into categories and arranged alphabetically. The auction totalled £12,760, with only three lots bought in, and the top price was £920 for Volumes 3-30 of The Autocar, published between 1898 and 1913. The catalogue of the collection of miniatures belonging to J. Pierpoint Morgan, sold for £620, and Leicester University paid £380 for copies of The Connoisseur from 1901-73.

As usual the Sotheby's jewellery sale did well, totalling £82,982, with a best price of £10,500 for an emerald and diamond flexible bracelet. At Sotheby's Belgravia a sale of silver and objects of vertu realised £42,541, with a top price of £1,400 for a pair of Alexander Macrae silver gilt four light candelabra, presented to the son of the Marquis of Lothian by his regiment on his marriage in 1878.

The same price was paid for a large Pavel Ovchinnikov silver gilt and cloisonné enamel powder box made in Moscow in 1885. A Febergé gold mounted Bowenite bell-push went for £1,050, and a circular Fabergé powder box of 1903-08 for £950.

A Bonhams furniture sale made £16,857, with a best price of £1,150 for an 18th-century design wall hanging. A Victoria mahogany break-front bookcase sold for £880.

On March 9 Sotheby's Belgravia, will sell two pictures by Queen Victoria. They are still-lifes painted in 1881 and 1884, and are sent for sale by Mrs. John Seymour, daughter-in-law of Sir Edward Seymour, Comptroller to Queen Victoria's daughter Princess Victoria. They are expected to sell for between £100-£200.

LEGAL NOTICES

No. 00516 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LONDON AND COUNTY (A & D) PROPERTIES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of February 1976, presented to the said Court by LONDON AND COUNTY SECURITIES GROUP LIMITED ... [illegible]

STAFFORD CLARK & CO., 28 Bush Lane, London, EC4R 0AE. Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. ... [illegible]

No. 00552 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LONDON AND COUNTY INDUSTRIAL HOLDINGS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice ... [illegible]

STAFFORD CLARK & CO., 28 Bush Lane, London, EC4R 0AE. Solicitors for the Petitioner.

NOTE.—[illegible]

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 629 6176. ... COLOUR EXHIBITION ... [illegible]

ANTHROPOS GALLERY ... [illegible]

COMPANY NOTICES

NOTICE OF RATE OF INTEREST

ELECTRICITY SUPPLY COMMISSI[ON]

(South Africa)

Guaranteed Floating Rate Notes Due 1982

In accordance with the provisions of the Fiscal Agenc[y Agree]ment between Electricity Supply Commission and First [National] City Bank, Fiscal Agent, dated as of August 15th, 1974, [notice is] hereby given that the Rate of Interest on coupon No. 4 date[d ...] 15th, 1976 shall be 8¼%. Interest payable shall be com[puted on] the actual number of days elapsed (181) divided by 360.

By: First National C[ity Bank]
as Fiscal Age[nt]

February 20th, 1976

GREATERMANS NATAL AND FREE STATE HOLDINGS LIMITED

NOTICE TO 6% SECOND 6% AND THIRD 3% PREFERENCE SHAREHOLDERS DIVIDENDS ON 6%, SECOND 6% AND THIRD 6% PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the ... [illegible]

HOME BREWERY COMPANY LIMITED ... [illegible]

THE MERSEY DOCKS AND HARBOUR COMPANY

CLOSING OF TRANSFER REGISTERS ... [illegible]

THE 600 GROUP LIMITED ... [illegible]

NEFO N.V.

The Annual General Meeting of shareholders will be held on Wed[nesday ...] March, 1976 at 3.30 p.m. [at the] Amstel Hotel, Professor ... Amsterdam.

The following is the Agenda of the Meeting and copies will ... together with the Annual Certified Accounts ... [illegible]

CLUBS

[illegible]

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University. 9.30 For Schools, Colleges. 10.45 You And Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.02 For Schools, Colleges. 3.10 Pibol y Cwm. 3.40 The Sky At Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Wacky Races. 5.00 Crackerjack. 5.40 Ivor the Engine.
5.45 News.
6.00 Nationwide.
6.45 Sportswide.
7.05 Tom and Jerry.
7.15 The Wonderful World of Disney.
8.00 The Liver Birds.
8.30 Steptoe and Son.
9.00 News.
9.25 The Detectives.
10.15 To-night.
10.45 Film '76.
11.15 Weather/Regional News.
†11.17 The Friday Film: "Fury," starring Spencer Tracy.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Tredwt. 6.00-7.05 Wales To-day. 7.15-7.35 Heddiw. 7.35-8.00 Ask the Family. 8.30-9.00 Crwydro Clawdd Offa. 10.15-10.45 Kane on Friday. 10.45-11.15 Folk Club. 11.15-11.17 News for Wales.

Scotland—10.23-10.43 a.m. and 11.00-11.20 For Schools. 6.00-7.05 Reporting Scotland. 8.30-9.00 Current Account. 10.45-11.15 Steptoe and Son. 11.15-11.17 Scottish News.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 Gallery. 11.15-11.17 Northern Ireland News.

England—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 10.45-11.15 North (from Leeds) Let The People Talk; North West (from Manchester) Home Ground; North East (from Newcastle) Viewpoint; Midlands (from Birmingham) The Garden Game; West (from Bristol) The West Country; South West (from Plymouth) Peninsula; South (from Southampton) Report South; East (from Norwich) On Camera.

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
5.00-6.40 p.m. Open University.
7.05 Dressmaker.
7.30 Newsday.
7.50 Landscapes of England.
8.15 The Money Programme.
9.00 Open All Hours.
9.30 An Evening with John Denver.
10.15 Fall of Eagles.
11.10 Newsnight.
11.25-11.30 Closedown: John Westbrook reads "The Three Mirrors," by Edwin Muir.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Mister Trimble. 12.30 Paint Along With Nancy. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Galloping Gourmet. 3.00 The Big Valley. 3.55 General Hospital.
4.20 Funny Ha Ha. 4.50 Magpie.
5.20 University Challenge.
5.50 News.
6.00 The London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 Yes—Honestly.
8.00 Police Woman.
9.00 Bouquet of Barbed Wire.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 The Collaborators.
12.30 a.m. Behind the Answers.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Food File. †2.30 Friday Afternoon Film: "Gasbags," starring The Crazy Gang. 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Late Night Movie: "Escape." 12.20 a.m. Christians In Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. †2.30 The Friday Matinee: "Law and Disorder," starring Robert Morley. 5.20 Indoor League Championship of Champions. 6.00 ATV Today. 7.00 New Who Do You Do? 7.30 Sale Of The Century. 8.00 Hawaii Five-O. 10.30 Extra Time. †11.00 The Monster Movie: "House of Frankenstein," starring Boris Karloff.

BORDER

†1.20 p.m. Border News. 2.30 Friday Matinee: "The Forgotten Man." 6.00 Border News and Lookaround. 7.00 Mr. And Mrs. 8.00 Hawaii Five-O. 10.30 Orson Welles Great Mysteries. †11.00 Late Night Movie: "Maniac." 12.35 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.30 The Friday Matinee: "Pirates of Tripoli." 6.00 Report At Six. 7.00 Treasure Hunt. 7.30 The Streets of San Francisco. 8.30 New Who Do You Do? 10.30 The Thrillseekers. 10.50 Late Night Film: "Not Of This Earth." 12.00 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.30 Out Of Town. 3.00 Houseparty. 3.30 Wildlife Theatre. 6.00 Grampian Today. 7.00 At Home with Kenneth McKellar. 7.30 Sale of the Century. 8.00 Hawaii Five-O. 10.30 Points North. 11.30 Indoor League Championship of Champions, followed by Road and Ski Report. 12.00 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †2.30 Friday Matinee: "Gambling House." 5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 7.35 Sale of the Century. 8.05 The Magician. 10.30 Kick-Off. †11.05 For Adults Only: "Georgy Girl," starring James Mason.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Out of Town. 3.00 Griff. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 7.30 Sale of the Century. 8.00 Hawaii Five-O. 10.30 Sweet Somerset. 11.00 Cool Million.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Sesiwn Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 Out of Town. 3.00 Boney. 5.20 The Bark Family. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Protectors. 7.00 A Joke's A Joke. 7.30 Sale of the Century. 8.00 Combat. 10.30 Ways and Means. 11.00 Late Call. 11.05 Late Night Thriller: "Dillinger."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.30 Friday Matinee: "All My Darling Daughters" (TV Movie). 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 59 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Out of Town. 7.05 New Who Do You Do? 7.35 Hawaii Five-O. 8.30 Yes Honestly. 10.30 A Southern Report. 11.00 Daughter of the Mind (TV Movie). 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.30 The Saint. 3.25 Farmhouse Kitchen. 6.00 North East News. 6.05 Division. 7.00 Survival. 7.30 Sale of the Century. 8.00 Hawaii Five-O. 10.30 Sportstime. 11.00 The Friday Night Film: "The Screaming Woman." 12.25 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.30 Friday Matinee: "Family Flight." 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 New Who Do You Do? 7.30 The Magician. 10.30 Sportscast. 10.30 Police Story. 11.30 Food of Love.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Friday Matinee: "Pirates Of Tripoli." 5.20 University Challenge. 6.00 Westward Diary and Sports Desk. 7.00 The Streets of San Francisco. 8.30 New Who Do You Do? 10.32 Westward Late News. 10.35 Late with Danton. †10.50 Late Night Film: "Not Of This Earth." 12.00 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.30 Here Comes the Future. 2.55 Houseparty. 3.25 Farmhouse Kitchen. 6.00 Calendar. 7.00 And Mother Makes Five. 7.30 Sale of the Century. 8.00 Hawaii Five-O. 10.30 Calendar Sport. †10.45 The Friday Night Film: "The Curse of the Fly."

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Simon Bates. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.00 Anne Nightingale's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Contact. 7.02 Terry Wogan (S). 8.27 Racing Bulletin. 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1,500m. only (as 202m.) Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance Knockout Quiz. 7.30 Play It Again (S). 8.02 John Gregory conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Those Were The Days at the Radio 2 Ballroom (S). 11.02 Tennis: Report on the Kings Cup match. 11.03 Len Jackson with The Late Show (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: J. C. Bach (S). 10.00 Northern Concert Orchestra (S). 10.45 Piano Recital (S). 11.45 Sing We At Pleasure (S). 12.15 p.m. Midday Concert, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2 (S). 2.10 Brahms piano recital (S). 3.35 The Shostakovich Symphonies (S). 4.25 Leeds International Piano Competition (S). 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 "La Clemenza Di Tito," opera in two acts, music by Mozart, Act 1 (S). 8.35 The New World of Children (talk). 9.00 "La Clemenza Di Tito," Act 2 (S). 10.15 Music Now. 11.05 Bones. 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sports-desk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sports desk, 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People († from 9.40). †10.00 News. †10.05 Checkpoint. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Something To Declare. †11.50 When Music Was Magic. 12.00 News. 12.02 You and Yours. 12.27 Oh, Get On With It! †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) from Birmingham, including 2.00-2.02 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather programme news. 6.00 News. 6.15 Top of the Form. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending.... 11.40 News.

For Schools (VHF only)—9.40 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Home Run including 5.00 and 6.00 London News Desk. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Sounds Good. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,010

ACROSS

1 Radically eliminating conservative from the centre (8)
5 Loosened yet united differently (6)
10 Flourish and prosper with ship in rosy colour (7)
11 Circular to abolish a right (7)
12 Cooking feathers and cheating (5, 4)
13 Often there concealing one part of X (5)
14 Subjugated under a person's control (6, 4, 5)
16 The existing ruling authorities according to Romans (3, 6, 4, 2)
19 About a dance in the neighbourhood (5)
20 Peculiarly scarce line produced by badly dressed fellow (9)
23 Obliquely request broken cane (7)
24 Music to forbear (7)
25 Tell it could be a small thing (6)
26 Converts into money and understands (8)

DOWN

1 Fanatical, being born during raid (5)
2 A mere trifle but not beyond the pale we hear (4, 2, 3, 6)
3 African weapon formed in brass again (7)
4 Dances with ring on leg (5)
6 Small number on poles surpass continuously (3-4)
7 Beds we lay straw in and change (6, 9)
8 Black Bess—or an unknown runner? (4, 5)
9 There's no suffering with father at home not so much (8)
14 A drop of liquid? Yes, but usually a lot (9)
15 Go too far—from end to end of walk (8)
17 It could be the first bit of cord in a lanyard (7)
18 Noticing fuel he'd spilt (7)
21 Concur with engineers in time (5)
22 Twists players or their instruments (5)

Solution to Puzzle No. 3,009

P	I	P	E	R	A	C	K		O	B	I	T	E	R
E		A		A		A				E		U		I
R	A	C	E	C	A	R	D		F	L	O	R	I	N
I		K		E		A		A		L		N		G
S	T	E	E	R	S	M	A	N		Y	A	C	H	T
H		T				E		T		A		O		I
			W	I	L	L		E	X	C	L	A	I	M
A		S		N						H		T		E
P	A	N	A	C	E	A		S	T	E	P			
E		A		O		L		A				A		A
R	I	P	O	N		M	O	U	N	T	E	D	U	P
I		V		C		S		S		R		J		P
T	O	O	T	E	D		M	A	N	I	C	U	R	E
I		T		R				G		C		S		N
F	I	E	S	T	A		D	E	F	E	C	T	E	D

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. ENGLISH NATIONAL OPERA ... [illegible]

COVENT GARDEN. THE ROYAL OPERA ... [illegible]

SADLER'S WELLS THEATRE ... GILBERT & SULLIVAN ... [illegible]

THEATRES

ADELPHI THEATRE ... VIRGINIA McKENNA ... THE KING AND I ... [illegible]

ALBERY ... ALDWYCH ... AMBASSADORS ... APOLLO ... ARTS THEATRE ... CAMBRIDGE ... CASINO THEATRE ... COMEDY ... CRITERION ... DRURY LANE ... DUCHESS ... DUKE OF YORK'S ... FORTUNE ... GARRICK ... GLOBE ... [illegible]

GREENWICH ... HAYMARKET ... HER MAJESTY'S ... KING'S ROAD THEATRE ... THE ROCKY HORROR SHOW ... LYRIC ... MAY FAIR ... MERMAID ... NATIONAL THEATRE ... OLD VIC ... PALACE ... PALLADIUM ... PHOENIX ... PICCADILLY ... PRINCE OF WALES ... QUEEN'S ... RAYMOND REVUEBAR ... ROYAL COURT ... ROYALTY ... ST. MARTIN'S ... AGATHA CHRISTIE'S THE MOUSETRAP ... SAVOY ... SHAFTESBURY ... STRAND ... VAUDEVILLE ... VICTORIA PALACE ... WESTMINSTER ... WHITEHALL ... WINDMILL THEATRE ... WYNDHAM'S ... YOUNG VIC ... [illegible]

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. ... CURZON ... EMPIRE ... LEICESTER SQUARE THEATRE ... ODEON HAYMARKET ... ODEON LEICESTER SQUARE ... PLAZA ... PRINCE CHARLES ... [illegible]

هكذا اصل الاصل

tival Hall/Radio 3

BBC Symphony

by NICHOLAS KENYON

olf Kempe is doing great for the BBC Symphony stra. Closing one's eyes their performance of s's Fourth Symphony at stival Hall on Wednesday, ight have been listening to itish orchestra on its best Opening one's eyes, the s were clear: Kempe has the orchestra's Boulez- d precision of recent and has moulded it for st time into a rhythmic If he does something quite the ordinary, as at the of the Brahms first move- (when after one of those ral rallentandos at which cels, he sent the music g at an alarming new to its close), the orchestra him perfectly. He does ibit the players' qualities st movement showed the al wind players, David David Theodore and Colin ry, to be as outstanding r) but he gives them a rection.

is accompaniment to the iolin concerto (in which rect and assured soloist dith Peinemann) Kempe d the extent to which he terfere at the smallest of with details of the orches- xture without losing his grip on the progress of the work: the result was a performance of both clarity and richness, which perhaps over-emphasised the self-indulgent quality of Berg's pessimism.

The orchestra's new sense of direction was most keenly felt in the strings' performance of Tippett's *Concerto for double string orchestra* with which the concert opened. Though there is still the occasional rough edge in the string sound, this is far preferable to the slick precision with which smaller ensembles have despatched this piece. Here Kempe allowed the work's ebullient optimism to emerge only under the acute pressure which he brought to every nuance. Each movement found its weighty climax precisely, and every bar was a struggle towards that climax or a relaxation from it. If Kempe can continue to develop the orchestra's sound without abandoning the adventurous repertoire on which its reputation is based, then its future looks most exciting.

The BBC Symphony Orchestra provides the only consistently worthwhile orchestral series in the Festival Hall—we must hope that even the BBC's financial difficulties will not inhibit its development.

ng Vic studio

Double bill

by MICHAEL COVENEY

s must indeed be hard hree excellent performers ielle Drake, Cheryl Camp- d Christopher Good—are d to shaking the dust off pher Fry and early James rs. *A Phoenix Too nt* is Fry's 1946 whimsical of a Petronius story in a mourning lady, seeking at her husband's tomb, is ed by the vitality of a soldier. Her maid looks chirruping disdain, add- ge-Cockney tautology to a situation of bathetic over-

language, spryly self- nt and sweetly eschato- skips to pleasant punch and back again. Real is hard to come by and when the soldier throws f at the dame with a coming a journey from etched ice to walk in the r. Fry still tantalises us he possibility of mock-seriousness. But it's soon off with the breastplate and greaves and on with, not exactly the job, but another unlikely jolt in the story: the soldier, in charge of a few corpses, is due back on duty, with "So long, my haven."

It seems unkind to Mr. Fry's record of success in the immediately post-War theatre to reclaim these plays from village hall and drama school. Mr. Saunders' skit, *A Slight Accident*, is more acceptable, but only ten years old. Drink and verbal shenanigans keep at bay the discovery of an obviously concealed body on the carpet. Penelope has shot a husband to whom she has been tediously married after having had no choice but to say yes. The piece neatly arrives at an explanatory solution, is graced by the gawky precision of Christopher Good and contains one inexplicably funny line: "Why go to Hull to lie down?"

NMENT on, Hammersmith

C.C. by ANTONY THORNCROFT

s taken a long time but ble section of the public ares to admit that it is silly by the heavy rock with their incomprehen- ocalists, their disdain for , and their concentration electronic whine which exceeds the pain thresh- n desparation it is turn- bands which contain musi- who write rather tradi- songs.

was not surprising to see mmersmith Odeon packed rafters for 10 c.c., a group for many years has been ng out from its own ng studio at Southport ve melodies, with cute but definite rock rhythms.

successful has 10 c.c. , especially with a song ot in love," a gem of elec- easy listening, that they out on tour. At one level this bold step works hey seem able to re- their records quite faith- nd as they scurry about ge from instrument to ent they are obviously a tribute to British musi- .

But when it comes to showmanship 10 c.c. is a bit of a disappointment. Like most groups they feel they must be witty between numbers, which is a disastrous illusion; they also pace their act rather badly, so that only in the last 20 minutes can the fanatical audience genuinely show its appreciation.

The other doubt about 10 c.c. is the variability of the songs. They are rather like pre-pop composers, welding together clever lyrics and pleasant tunes —but with little likelihood that the songs come from any personal experiences. At least the rough old rock artists lived out their follies in their music— until they got rich and pampered.

So 10 c.c. can create attractive songs, like "Don't Ring Off," which is apparently about a man trying to win back his wife, without anyone getting involved with any emotion. Like most easy listening music, 10 c.c. is dealing with artificiality, but, unlike the competition in this area, the group is working well within a committed rock framework. It is as if the Moodie Blues had got hold of the iron jelloids.

Cinema

The young idea by NIGEL ANDREWS

Brown Ale with Gertie — Thames Film Festival

Sansho Dayu (A) — Gate Cinema

Bisexual (X) — Jacey Leicester Square

The Best of Walt Disney's True Life Adventures (U) — General Release

If I were giving the British cinema directions on the best route to the future, I would advise it to forget the faint-hearted palliatives of the recent government working party report and to look instead at a 30-minute film by Alan Brown called *Brown Ale with Gertie*. At the Thames Film Festival it receives its first public showing in this country: which in view of the fact that the film has already been seen and acclaimed in Holland, Belgium and West Germany, is an odd reflection on the alacrity and perception of British exhibitors.

Brown Ale with Gertie is not the best British film I have seen in recent years, but it's one of the most promising and one of the most dynamically original. Its director is young, and has never made a film before (nor did he go to a film school): but he has a flair for the medium so abundantly clear that it is hard to believe that his film was turned down by both the London and Edinburgh Film Festivals last year, and is now gathering dust on the shelves of the British Film Institute Production Board, who financed the film but (not for the first time) have done next to nothing about trying to get it shown in this country.

The best thing about *Brown Ale with Gertie* is that it is at once totally British and totally *un*-British. The film's cast of characters features every post-D. H. Lawrence stereotype of working-class drama you can think of: drunken proletarian dad, whining geriatric mum, sluttish daughter, adolescent son and his precocious, sex-obsessed schoolfriends. But though Brown wrote the film as a counter-blast to *Cider with Rosie* —answering bucolic nostalgia with industrial disgust—it doesn't take its disgruntled slum-dwellers any more seriously than it would their opposites. They are figures of fun, blown up with the director's manic sense of glee, and the structure of the film—disjointed scenes linked less by narrative sequence than by the logic of the unconscious —owes as much to Monty Python (or to early French avant-garde cinema) as to any recognisably sober British movie-making tradition.

Not that Brown has necessarily seen either of the above. Creatively, he is entirely his own man: and if he had been to a film school he would probably have had the thunderous excesses of *Brown Ale with Gertie* schooled out of him at a very early age.

The opening is both monstrous and funny. We are in the home of a poky and impoverished working-class family somewhere in the industrial north. Mum and daughter are sitting goggle-eyed in front of the television (which is on the blink). Dad returns from work, announcing his despotic presence by banging the door down, poking mum in the eye, and stertorously demanding his lobster for dinner. The daughter has buried it in the garden (she couldn't bear to listen to its screams as it cooked). "Exhume the bastard!" cries dad, and settles down to a few quick pages of *Finnegan's Wake* before falling asleep in front of the still-revolving TV screen (waking only to take the occasional swipe at mum).

Upstairs, meanwhile, the son and his school cronies are leafing through girlie magazines: and it is they and their sado-sexual fantasies — and exploits — who occupy much of the ensuing film. The startling thing about *Brown Ale with Gertie* — and its less comic scenes include a boy being kicked to death, a suicide by hanging, and a lugubriously protracted gang bang—is that it makes no attempt to gather its enormities under a hygienic artistic banner of "redeeming social merit." The film does not tut-tut at its characters' delinquencies: it does not even tut-tut at the social conditions that are perenially held responsible for them.

A scene from 'Brown Ale with Gertie'

In a country where film-making has always been cursed by the spirit of social didacticism (only consider the latest offering—Jack Gold's *Man Friday*) that is more novel and encouraging an achievement than it might appear. Brown's film strikes a blow for the unfettered imagination: and I believe one learns a lot more about the spirit of an age and a society from this kind of free-expression, free-association film than from all the sober, intelligent, would-be improving films that never raise the censor's eyebrow or the filmgoer's temperature.

In a sense Brown's film is a multiple revolt against tyrannies: against the tyranny of social environment, against the tyranny of education (one scene has a boy reciting Blake's "Tyger" before his bullying father), against the tyranny of "good taste" and art-with-a-message, against the tyranny of a whole British way of movie-making. Iconoclastic films can be as tedious as any other, of course, but the wonder of Brown's film is that it is both joyous and inventive in its inconoclasm. Like Ken Russell (the only British director with whom his style can even fleetingly be compared) he goes right over the top: but unlike Russell he doesn't fall flat on his face the other side. There is passion, not merely exuberance, in his work, and I suspect that any producer with money and imagination to spare could do a lot worse than to invest in his film-making future.

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Wherever you look these days there is a Japanese film. After the National Film Theatre's enterprising Ozu season, the Gate Cinema is reviving Kenji Mizoguchi's 1954 classic *Sansho Dayu*. Where Ozu was the domestic miniaturist of Japanese cinema, Mizoguchi was its epic poet: a teller of long, misty tales set in Japan's feudal past, in which the staple ingredients of lost love, sundered families and conquered tyrants are transfigured by an icily beautiful visual style and a period sense unequalled by any other director in the cinema's history.

Sansho Dayu is the story of two children—son and daughter of an exiled governor—who are separated from their parents at an early age and sold into slavery. The son, initially brutalised by his experience, grows up to escape from the slave compound, to succeed to his father's title, to revenge himself on the slave-owner and finally to rediscover his long-lost mother. The daughter has a less happy fate. To avoid being tortured after helping her brother escape she kills herself: walking out into a sunlit lake until the last we see of her is a slowly widening ripple on the water's surface.

The villain of the film's title is Sansho the bailiff, a plump, bald, whiskery slave-owner who is Mizoguchi's picturesque symbol for the cruelties of Japan's feudal past. The film has a moral-political axe to grind— nearly all Mizoguchi's work is about the courage of those who fight for their freedom in an age of social oppression—but the message is absorbed into the story-telling and the scene-setting. No film could be more continuously beautiful to look at. Studio "exteriors" are seamlessly interwoven with location shots—Mizoguchi's harmonising eye blurs all distinction between real and unreal—and the characters' fates seem played out against a backdrop of timeless myth. The film is two hours long, and doesn't seem any shorter: but that is not because time hangs heavy, rather because the passing of the years seems built into the very rhythm of the film.

Individual scenes inscribe themselves on the memory: the eery, twilit lake-shore where the children's mother is borne away from them on a boat, her screams dying as the distance grows; the daughter's drowning; the last scene of all—again a deserted lake-shore — when the son discovers the ragged, whimpering cripple that is now his mother and the camera hovers around them at a distance as if fearful or embarrassed to come too close. But it is the impact of the whole film rather than of its parts that impresses: Mizoguchi's ability to balance a Hardy-like accumulation of tragic incident with the serene, delicate skills of a Japanese water-colorist. *Sansho Dayu* opens a the Gate this week and is worth making a great effort to see.

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Bisexual is an adaptation of Guillaume Apollinaire's erotic novel *Les Onze Mille Verges*, directed by Eric Lippman. Lippman has apparently made 400 commercials in his time and from this film one can well believe it: titillation thinly disguised as art, the film swathes its few, faint-heartedly kinky sex scenes in a web of narrative ellipses, stories-within-stories and chic photographic effects. The censor has apparently cut six minutes out of the film, but even that is unlikely to turn it into a cause célèbre.

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There is more nudity, and not a little violence, in *The Best of Walt Disney's True Life Adventures*: a compilation of scenes from Disney's nature films— including such deathless favourites as the scorpion square dance and the duel between an eagle and a rattlesnake—narrated by Winston Hibler. It is remarkable what animals can get away with on the large screen that humans can't: murder, suicide, infanticide and mating dances being among the activities featured here. Disney's nature films are still good value, however; and there are far worse ways of spending a rainy afternoon than by watching this lively anthology of their best moments.

Wigmore Hall

Gulbenkian fellows

by PAUL GRIFFITHS

Few solo musicians spring fully formed on to the concert platform, prepared and able to display at once a mastery of the repertory. For those to whom fame comes less suddenly, it is good to know that assistance is available in the essential early stages of trial and progress. Less than two weeks ago the Greater London Arts Association introduced their protégés; on Wednesday it was the turn of three of the new Gulbenkian Foundation music fellows. The Gulbenkian scheme provides financial awards to release young soloists from the need to take "unhelpful engagements." Its success is indicated by the list of those who have benefited since it began in 1967, a list which includes Benjamin Luxon and Paul Crossley.

The first of this year's winners to play was Raphael Wallfisch, a cellist with a pleasing lean, dusky tone. His style has many likeable features, notably an elegance of phrasing, a nice way of throwing off little figures in the upper register, and a fine control of harmonic sounds. But I wish he had not chosen Kodaly's Solo Sonata op.8. This is a long and dreary piece, enlivened, it seemed, about every quarter of an hour by an idea of some moment. Even Wallfisch himself appeared to get bored with it: increasingly he failed to tie its loose strands together, and his faults of intonation became ever more frequent and more crude.

Precision of tuning is perhaps not his strong point, for in his other work, Franck's Sonata, there were too many occasional slips. This was all the more unfortunate in a performance where lyrical flow was firmly tamed but still beautifully expressed. In this balance the contribution of the accompanist, another Gulbenkian fellow, Richard Markham, was far from negligible. He secured the piece with a steady weight, an almost ecclesiastical tread, while avoiding all pomposity.

The third laureate, the tenor David Rendall, was sadly kept by illness from performing at his best. Though his voice still had a lovely ring on Wednesday, it was sometimes hard to connect this recitalist with the superb Italian tenor of the recent *Rosenkavalier* revival at Covent Garden. The tone was strong and clear, with a not unattractive hint of smokiness at the back, but Rendall's polish and finesse failed him, so that he could make little good use of his excellent resources.

From a group of Schubert's swan songs, "Der Atlas" emerged most powerfully, perhaps because so declamatory a piece is less demanding on the subleties Rendall found himself temporarily without. He very nearly covered up the deficiencies with some blissful sounds in two Brahms songs, but in the Fauré pair he hit quite the wrong manner. These are buds to be tended with exquisite care, not overblown roses.

'Dad's Army' to tour

The *Dad's Army* stage show now at the Shaftesbury is to go on an 18-week tour of Britain's major provincial theatres from the end of March. Its West End run ends on February 28.

Theatre Royal, Glasgow

Falstaff by MAX LOPPERT

To its handsome new Glasgow home, Scottish Opera has brought Peter Ebert's 1966 *Falstaff*, in sets and costumes by Peter Rice. The production has not been seen in the long gap between first viewing and Wednesday's revival. This is understandable, for dramatically it is undistinguished — the producer has done good work on individual characterisations, but the interplay is sometimes untidy; and the sets are mostly ugly when not ill-judged (Falstaff woos Alice in her bedchamber, a Trust House hotel suite winged by high galleries of a kind that must make a decent night's rest a matter of chance), the costumes resolutely unflattering.

But when Verdi's music is well looked after, it becomes almost too easy to forgive any *Falstaff* its stage weaknesses; and musically, under Alexander Gibson's gentle, courteous, watchful baton, the show bears already all the marks of mastery — warmly confident ensemble work, eloquent survey of Verdi's dewy, quicksilver orchestral timbres (lovely darting phrasing by the all-important flutes), a sure but never stern guidance of a well-balanced, mainly local cast. The most important visiting exception has probably provided the strongest reason for revival: for Scottish Opera has had the wit, or the good fortune, to present Sesto Bruscantini's first thoughts on the title role. On Wednesday his performance, understandably still in the nature of a "first draft," held promise of giving the world's stages its next leading Falstaff.

Rarely since the first Falstaff of Victor Maurel can the music have been delivered with greater musical distinction. Each phrase, polished to new lustre by such elegance of legato line and unfailing finesse of diction, was a treat to listen to: the role is rewarded, not robbed of character, when not painted with all the cosmetic tricks of the ageing character-baritone (this is a lesson much mouthed, too seldom demonstrated). In this Falstaff, good breeding, buried under mountains of stomach and years of dissipation, was still unusually appreciable—as he sang of his past slenderness as the Duke of Norfolk's Page, flicking the words lightly past, we felt his youth dance before our eyes. With a spare, nice exactitude of gesture and facial expression, at most extended in wide eyes and open mouth, there emerged a self-contained, more melancholy than usual Knight, left alone and unsurprised at the finish of all the revels.

His Tweedledum getup was unhelpful; and when he sailed out with the strong, well-seasoned Ford of John Shaw, the impression of two Malvolios— one ribboned in pink, the other in blue, only the cross-garters missing—was particularly unfortunate, deterimental to the climax of the scene.

No-one else in the cast was on this level: this was, nevertheless, an assembly of spirited, deft players, ready to consolidate an already lively community. Catherine Wilson is Alice, adorably bubbly and good-tempered, providing consolation for an inherent tonal unsteadiness in her musically spruce responsiveness. The young lovers are Patricia Hay and Richard Greager, both gaining confidence and lyrical finish for their last-act airs. In a smaller theatre than Covent Garden, with such excellently accommodating acoustics as these, the familiar Quickly of Elizabeth Bainbridge becomes a much rounder, surer impersonation, unforced alike in gaiety and broad, firm tone. The native tongue of all except Falstaff is English; the performers, and the audience, would benefit from the use of a translation (nothing sadder than the silence that greeted Falstaff in his virtuoso declamatory shadings of the very first scene). An Italian-language performance was presumably Mr. Bruscantini's price, and it is gratefully paid.

New End

Sherry and Wine

by B. A. YOUNG

Orlando Huntley (Jimi Rand, who is also the author) is a nice West Indian labourer. He has done well for himself, he has moved his family from Brixton to a pretty home in Finchley; but he is still happy to sit around in his boiler-suit and Wellingtons, eat peas and rice, drink beer. His wife Cynthia (Isabelle Lucas) is different; she believes that in Rome you do as the Romans do.

So when her elder daughter Pearl (Nicola Blackman) wants to bring her boy-friend (Christopher Gilbert) to supper, it has to be a slap-up do with sherry and wine and Orlando in his best suit. What follows is mostly a prolonged dispute about this cultural conflict; also about the generation gap, more pronounced in West Indian families where children are taught to be obedient to their parents. It is full of lively talk and entertainingly acted (and over-acted) by the company, who also include a younger daughter (Sharon Rosita) and Cynthia's sister Hilda (Valerie Murray).

Both the cultural and the generational problems are long familiar in British writing in other guises. For West Indian versus British, read poor versus rich, and you have the basis of half the romantic stories in the popular magazines for women. It is good, though, to see this version of things: it may help the whites to understand the blacks and perhaps the blacks to understand the whites. I was sorry to see so few black people in the audience.

The highly respectable sitting-room in the Huntleys' house was assembled by Jane Ripley, and the direction is by Robert Walker.

WORLD TRADE NEWS

Cementation denies malpractice

BY QUENTIN GUIRDHAM IN LONDON AND ROBERT GRAHAM IN TEHERAN

CEMENTATION, the British group involved in the cancellation of Iranian hospital contracts, has strongly denied any malpractice in presenting a bid of £355.5m. for the building of five hospitals totaling 2,500 beds.

When the Ministry of Health revised its requirements, Cementation put in two later offers, one to build two 800 bed hospitals and one 400 bed hospital for £210m. and then to build three identical hospitals for £178.5m.

In Tehran, it seemed that Iran's ambitious plans for hospital expansion are now in jeopardy as the result of the cancellation of negotiations with both French and U.S. groups, as well as with Cementation. The three had together been negotiating for contracts to build hospitals providing 6,000 beds.

The negotiations have been broken off amid charges by the Government that the companies were attempting fraud. Also the Government is reported to be preparing claims for damages against the three groups for "wasting the Government's time." The French group is headed by Sedim and the U.S. one by Medicor.

The allegations, which appeared in the Tehran Press yesterday are broadly that the three groups were selected (it is thought from around 40 interested construction groups) but that they delayed their detailed cost estimates.

When these were finally submitted the Iranians claimed they were as much as six times per bed higher than in the U.S. or Europe. The Cementation figures quoted were more than twice as high as those for the French or U.S. group.

Cementation is a subsidiary of Trafalgar House Investments. Last night Mr. Victor Matthews, deputy chairman and managing director of TFH, said the quoted figures appeared to apply to Cementation's first tender.

Iranian reports continued that when the first estimates from all three groups were rejected, new estimates were prepared which "compensated for the reduction in price by lowering the quality of work to be done and a lesser variety of equipment to be used."

Mr. Michael Aftagutt, the British head of Cementation in Iran, has also denied any suggestion of fraud and said the company was taking up the allegations very forcibly with the authorities.

In London, Mr. Matthews added that "We don't want a fight. But this is very serious for our reputation. We cannot allow it to go unanswered when we are tendering for contracts all over the world." Cementation's turnover is around £80m. a year.

Mr. Matthews produced a detailed statement of the history of the hospital tenders, beginning in April 1975. He denied that the reported limit of £21,000 per bed had ever been mentioned.

Normally, he said, hospitals in the Middle East cost around £70,000 a bed. One reason why Cementation's initial offer for five hospitals had worked out at roughly double this figure was that the total time specified for construction, commissioning and staffing was between 36 and 45 months.

The conditions of contract contained severe penalties for non-performance. The first bid was submitted at a time of severe labour and materials shortage and port congestion.

The reasons why the second and third offers were lower included the reduction in number of hospitals and beds; the exclusion of staffing and accommodation; time-saving but expensive construction methods being replaced; the exclusion of certain taxes; and, in the final offer, the use of all-Iranian labour and as much local materials as possible, plus a reduction in hospital areas.

The speed the Iranians had insisted on was indicated by the 19 weeks allowed for the first offer to be completed. It would normally have taken 18 months, said Mr. Matthews.

He said the cost of preparing the offers, though the last two were only in budget form, amounted to £900,000. Cementation considers that this amount has been guaranteed, particularly since Iran has returned its Performance Bond, "clearly indicating that a bona fide offer had been submitted."

The British Government may intervene, particularly as Mr. Peter Shore is thought to have influenced the selection of a British group (two others beside Cementation were interested). The matter could be raised by Mr. James Callaghan, Foreign Secretary, who is due to visit Iran, possibly early next month, though no date has been announced yet.

Britain seeks £150m. Algerian ships order

By John Wyles

KUWAIT, Feb. 19.

A TWO-MAN sales mission flew from here to Algeria in pursuit of a possible £150m. contract which if secured would give a badly needed boost to Britain's troubled shipbuilding industry.

The way this sales drive is being mounted has been largely determined by the industry's impending nationalisation in the autumn. After receiving notice of Algeria's plans to buy 29 ships of various types, swift consultations among shipbuilding companies led to agreement that Mr. Ken Chapman, technical director of Cammell Laird Shipbuilders, and Mr. Wynn Chapman, a director of Sunderland Shipbuilders, should represent the industry. This highly unusual initiative also received the blessing of the Department of Industry and the organising committee of British Shipbuilders, the State-owned corporation which will run the industry after nationalisation.

Several other shipbuilding countries are certain to be chasing the Algerian orders and many British shipbuilders are pessimistic about the chances of winning them for Britain. They argue that, with Japanese price-cutting on the one hand and better credit facilities offered by other European shipbuilding countries, on the other, Britain is suffering severe handicaps.

WORLD CAR MARKET

French buy larger models, importers lift market share

BY RUPERT CORNWELL

PARIS, Feb. 19.

ALTHOUGH IMPORTERS increased their share of the French market considerably last year, the most striking feature of a depressed 1975 was the big shift within France to more powerful and expensive mode.s—despite speed restrictions, soaring prices and ever-costlier petrol.

Figures issued here to-day by the various motor industry associations show that total domestic registrations dropped by some 3 per cent. in 1975 to 1.482m. units from 1.524m. in 1974. But foreign manufacturers none the less managed to push up their share. In the first month of the current year, 1976 registrations were up no less than 50 per cent. on 1975—and 10 per cent. higher than in January, 1973, before the motor crisis began. Output in France rose 9 per cent. last month to over 255,000 units.

Every indication is that the recovery sparked by the immensely successful Paris Motor Show of last autumn is keeping up its pace.

The main reason for the popularity of bigger cars has undoutedly been the success of the new top-of-the-range models launched by Renault and Peugeot (the six cylinder R30 and 604 respectively). At the same time the Peugeot 504 and the highly acclaimed Citroen CX are still faring well.

Middle of the market models showed little change over the year—largely thanks to the inroads made by the new Chrysler 1307 and 1308, shortly to be sold in the U.K. under the Alpine name.

Among French manufacturers Renault, despite all its troubles with strikes last spring, easily retained its top position. Peugeot overtook Citroen to become the country's second largest company, while Chrysler, for all the praise and popularity heaped upon its new cars, still won less than 9 per cent. of the domestic market.

As for the importers, the star of 1975 undeniably was a rejuvenated Volkswagen. VW boosted its French sales by over 24 per cent. to capture the second place in the league table behind Fiat. British Leyland hung on to fifth place, but with less than 2 per cent. of the market.

FRENCH CAR SALES

	1975 units	%	1974 units	%
Renault	488,925	33.0	548,915	36.0
Peugeot	282,886	19.1	278,538	18.3
Citroen	271,607	18.3	285,832	18.7
Chrysler	132,396	8.9	133,485	8.8
Fiat	62,374	4.2	63,124	4.2
VW	53,333	3.6	43,211	2.8
Ford	49,467	3.4	49,567	3.3
General Motors	26,940	1.8	29,418	1.9
British Leyland	22,443	1.5	23,096	1.5
TOTAL	1.482m.	100	1.524m.	100

Nigerian panel to review investments by Britain

BY A SPECIAL CORRESPONDENT

A HIGH powered Nigerian panel, which is reviewing the whole future of participation in foreign business in Nigeria, is expected in London soon.

The panel, set up at Christmas by the Federal Government to review the relationship between foreign-owned business and Nigerian shareholders, has to report in time for its recommendation to be included in the Nigerian budget by April.

According to well-leaked reports, it will recommend extending Nigerian participation in all large and medium foreign business, from the present 40 per cent. up to 49 per cent., or possibly more.

This will affect Schedule Two industries under the Nigerian Industrial Enterprises Decree of 1972.

The panel has also been asked to look into the question of expatriot quotas with a view to extending the Nigerianisation of management.

British business has over £800m. invested in Nigeria and as most British investment is in medium- or large-scale industry it is almost certain to be affected by the Nigerianisation proposal.

DAVY-LOEWY PRESSES DEAL

A CONSORTIUM of Davy-Loewy of the U.K. Davy International group and Marubeni of Japan has been awarded an £18m. contract by Stankoimport, Moscow, for two forging press complexes of 6,000 and 8,000 tonnes capacity.

They will be engineered by Davy-Loewy with Marubeni supplying many of the heavy mechanical parts. Delivery is scheduled for 1977-78.

Plan for European export bank unveiled by EEC

BY ROBIN REEVES

BRUSSELS, Feb. 19.

THE BRUSSELS Commission's formal plan for a European export bank (EEB) to help exports of good and services involving two or more undertakings located in different EEC countries were unveiled here to-day.

It proposes that the bank should have an initial capital of 100m. units of account (roughly £50m.) to be provided from the Community budget. Most of its resources however would be obtained by borrowing on national and international financial markets, with Community guarantees up to a ceiling to be fixed.

The commission decided on this mixed capital structure to ensure the bank the maximum degree of flexibility as it is difficult to predict the volume of future transactions and also in order to ensure that the EEB's commitments could be closely monitored. Once the EEB had been set up the capital structure would be reviewed.

It is recognised here that feelings are mixed about the desirability of establishing such a bank, and that harmonisation of existing export finance in the EEC member States might be more fruitful. However, the commission argues that the EEB was still justified as the best way of solving problems posed by multi-national contracts.

In London the Export Credits Guarantee Department said it was interested in the Commission's proposals as a means of solving the problems of collaborative export finance. However, it feels that a good deal of study needs to be done before it can be sure that an export bank of this kind is the right solution.

Fujitsu extends Spanish activities

BY PETER DUMINY

TOKYO, Feb. 19.

TWO MOVES that will extend Japan's already significant foothold in the Spanish computer market have been announced by Fujitsu, the pioneer exporter of Japanese computer hardware.

Both involve acquisition of Spanish equity. In the first case the 30 per cent.-owned Secoinsa is acquiring a 67 per cent. stake in Telesincro, Spain's only domestic manufacturer-cum-data-processing company. Secoinsa was set up last year with a capital of about $11.5m. to manufacture and market Fujitsu hardware under licence. Ownership is shared with the State telephone utility (27 per cent.), Spain's Industrial Development Corporation (27 per cent.) and a number of banks. The price paid for control of Telesincro, similarly mainly involved in smaller hardware, has not been disclosed.

See page 25 today

AMERICAN NEWS

Sra. Peron faces anger of officers

THE appearance of President Maria Estela Peron on nation-wide television to announce that, although she is not resigning, she is not a candidate for re-election, has only increased demands that she step down, Robert Lindley reports from Buenos Aires.

The armed forces officers are reported to be especially angered by Sra. Peron's declaration that she is remaining in the Presidency "to avoid the dispersion of the popular forces who otherwise would seek the defence of their conquests and hopes in the Marxist Left." The increasingly coup-minded armed forces officers have taken this threat of a left-wing advance, should Sra. Person resign, as an attempt to blackmail them.

Venezuela demos

Hundreds of students battled with Venezuelan police and national guardsmen at the central university here in the aftermath of a string of student demonstrations that began after two young persons were killed—reportedly by soldiers—during a demonstration in the western state of Yaracuy last Saturday, our Caracas correspondent reports.

Bolivian arrests

Police with automatic rifles occupied the San Andres university in La Paz yesterday, arresting 275 students who had defied them throughout the night during a 15-hour siege. Simultaneously, the Bolivian Government accused the former left-wing President, Sr. Juan Jose Torres, of exploiting student unrest as part of a plot to overthrow President Hugo Banzer, Reuter reports.

Cornfeld in court

Bernard Cornfeld, the former head of the Investors Overseas Services (IOS) financial empire, appeared in district court in Los Angeles yesterday on charges of using illegal "blue boxes"—electronic equipment—to place free telephone calls overseas. He was freed on $10,000 bail pending arrangement on March 15.

Antigua election

A general election in Antigua has brought the Caribbean island's Labour Party back to power after a five-year spell in opposition. Final results in Wednesday's poll gave Mr. Vere Bird's Antigua Labour Party 10 seats in the 17-seat Parliament, compared with five won by ousted Premier George Walter's Progressive Labour Movement, Reuter reports.

Lead ban likely

Officials in California are on the verge of requiring elimination of lead from petrol sold in the state, AP-DJ reports from Los Angeles. Tiny amounts of the heavy metal are building up in the bodies of people living near freeways, state authorities have concluded, and years of such exposure may be dangerous.

Brazil condemned

The United National Commission on Human Rights, in a resolution adopted in Geneva yesterday, condemned Chile for making torture an institution, UPI reports.

Kissinger leaves

U.S. Secretary of State Dr. Henry Kissinger, praising the spirit of co-operation shown by Peruvian leaders during his visit, left Lima yesterday for Brasilia, UPI reports. U.S. Embassy officials meanwhile were assessing the damage to the embassy building from an attack by rock-throwing Left-wing students. The attack came as Dr. Kissinger told guests at a state banquet inside the building that it was time to end confrontation between developed nations and the Third World.

Independent directors to join Phillips Petroleum

BY GUY DE JONQUIERES

NEW YORK, F

PHILLIPS Petroleum, the ninth largest U.S. oil company, has agreed to sweeping changes in the composition of its Board of directors in settlement of a legal action brought on behalf of its shareholders over its illegal campaign contributions.

The legal action was brought after the company admitted to running a political slush fund totalling about $1m. Phillips was one of the first American companies to disclose that it had made illegal payments to political candidates, including a $100,000 contribution to President Nixon's re-election campaign in 1972.

One new detail to emerge from the settlement papers is that a $50,000 illegal contribution to Mr. Nixon's 1968 election campaign was handed over to him personally in his New York apartment by the then president of Phillips, Mr. William Keeler.

Ironically, the Board shake-up at Phillips coincides with the reappointment of Mr. Thomas Jones as chairman of Northrop after his resignation last July over disclosures that the company had made substantial illegal payments to Mr. Nixon's re-election campaign and to recipients abroad.

Mr. Jones, who has served as president of the large aerospace concern since losing the chairmanship, had been due to give up that post as well by June, and no reason has been given for his reinstatement. The company's new president is Mr. Thomas Paine, formerly a senior vice-president of General Electric.

Mr. Jones's resignation was part of a settlement won by a Los Angeles group called the Centre for Law in the Public Interest, which also brought the action against Phillips. In both cases, the actions were "class suits" brought on behalf of the company's shareholders.

Phillips has agreed to expand its Board from 11 to 17 members, so as to change the bala an overwhelming nu Phillips insiders to a m outsiders. The s requires that future vac filled by independent directors until 60 per ce Board is composed of

In addition, the s provides for the estal of an audit committee entirely of outside dir recommend independen auditors and to revi work. New disciplin cedures, including the dismissal, have also be lished to guard again corporate contributions

Three of the new have been proposed Centre for Law and tinguished backgrounds ness, law and the world. The other five named by Phillips, known of them being M Laird, former Defence and currently a senior of Readers Digest.

Arms control Bill clears Sen

BY DAVID BELL

WASHINGTON, F

THE U.S. Senate last night passed a far-reaching Bill designed to give Congress much tighter control over the $12bn.-worth of arms currently being exported by the U.S. These sales are currently greater than the combined overseas military exports of all other Western nations.

The Bill, which must now be considered by the House of Representatives, would allow Congress for the first time to veto any Government or commercial arms sale that exceeds $25m. or involves a major weapons system costing less than this. Congress would also have the power to cut off arms supplies to countries violating human rights by torture or nations that discriminate against U.S. citizens or companies.

In addition to these new powers, which would significantly restrict the White House's room for manouevre in this field, the Bill calls for $3bn. of military aid, including $1.5bn.-worth of military aid for Israel. As reported yesterday it would also put an embargo on the shipment of arms to Chile, which Sen. Hubert Humphrey called a "vicious totalitarian regime." At the same time the Bill would require companies to report all fees paid in connection with an overseas arms sale to the State Department, which would pass the information on to Congress.

For more than a year liberals in the Senate have been arguing that the enormous increase in U.S. arms sales is leading towards dangerous instability both in the Middle East and in Latin America. The arms industry has fought an intensive lobby in a campaign arguing strongly that the Bill would hamstring even the most straightforward military sales. President Ford is in something of a dilemma, since he needs the money that the Bill will provide and thus vetoing it.

Since 1974 Congress the power to stop Gov sponsored cash arms sal Houses pass a resolution them within 20 days of details of them. The would give Congress t days in which to act a important, would extend sibility of a congression straightforward commer sales, which until now been affected. Most l sales are made thro Defence Department, a special office that ac intermediary.

Critics of the Bill are larly worried that it r a serious impact in th East. If it is interprete by Congress the legislati have the power to stop to nations that dis against Jews or operate boycott against count trade with Israel.

Alaska offshore auction goes ahead despite 'risks'

BY GUY DE JONQUIERES

NEW YORK, Feb. 19.

THE INTERIOR Department has decided to press ahead with an auction of offshore oil and gas leases in the Gulf of Alaska despite objections by the federal Government's two chief environmental experts that development of the tracts poses serious risks.

These objections were specifically acknowledged by the Secretary of the Interior, Mr. Thomas Kleppe, but he said that he had decided that on balance it was in the national interest to go ahead with the lease sale. He agreed, however, to put up only 1.1m. acres for auction instead of the 1.8m. acres previously planned.

Fears about the consequences have been expressed by both Mr. Russell Train, Head of the Environmental Protection Agency, and Mr. Russell Petersen, chairman of the Council on Environmental Quality. They have argued that the northern Alaska Gulf area contains a higher degree of environmental risk than any other continental shelf area where oil and gas development is being considered.

The oil industry has higher hopes for the Gulf of Alaska than for any of the new offshore areas being put up for auction by the federal Government as part of the Ford administration's programme to expand oil and gas production from domestic sources.

An auction of offshore California leases late last year drew a disappointing response, attracting bids for less than one third of the tracts offered. There was an equally poor show of interest in a Gulf of Mexico auction held yesterday, at which only 41 of the 132 available tracts were bid on.

The Gulf of Mexico auction attracted "high" (apparently winning) bids worth a mere $183.5m. Mr. Kleppe has forecast that the planned Alaska offshore auction will yield much more, between $500m. and $1bn., even if only 30 per cent. of the leases are bid on.

Burns cauti against ext job stimulu

By David Bell

WASHINGTON, F

DR. ARTHUR BURN man of the Federal Bank, told a congressi mittee to-day that he to see a further recove economy this yea cautioned against a stimulus in an attemp unemployment.

He told the Joint F Committee that any fiscal stimulus could o by increasing the deficit and to finance Treasury would have on the credit market drawing on funds badly for home-building and capital formation."

At the same time th some evidence that w prices were creeping although this had not reflected in the reta figures. Too much would play a part in off a new wage an explosion, particularly year's wage settlement exceed those of last ye wage and benefit i averaged some 11 per the first year of operations.

GUATEMALA

The after-shocks to come

BY ALAN RIDING IN GUATEMALA CITY

WITH the U.S. Army slowly withdrawing its disaster relief teams and squabbles already erupting among foreign aid groups, it is apparent that the immediate crisis provoked by the February 4 earthquake is over and the difficult reconstruction period has begun.

Many short-term problems of course still exist. Not only are the seemingly endless after-shocks from the earthquake keeping tens of thousands of people from returning to their homes, but also victims of the disaster still lack sufficient food and water. Yet, most of the 74,000 or more people injured by falling beams and bricks have now received basic medical attention, while many of the 1m. or so homeless are already looking forward to rebuilding their houses. Even the official death toll has stopped jumping daily and has now settled down to a figure of around 22,000.

This is in fact the stage when the emotional shocks subside and the problems caused by the disaster merge with those of chronic poverty and injustice. The disaster, after all, really struck those whose lives were already a disaster. Little Indian villages and city slums were destroyed and those too poor to build safe homes were killed and injured. But one middle-class Guatemalan admitted that he personally knew no one who had been killed or injured, nor anyone whose home was seriously damaged.

The problems of reconstruction, then, are similar to those of development. Guatemala has at least been spared the embarrassing scandals of official corruption and mishandling of aid that occurred in Nicaragua three years ago. But the context in which reconstruction must take place is nevertheless one of political repression, economic inequality, social injustice, and racial discrimination.

Notwithstanding disagreements among lay groups over whether

> One middle-class Guatemalan admitted that he personally knew no one who had been killed or injured, nor anyone whose home was seriously damaged.

reconstruction material should be sold or given away and among Protestant sects over which gospels should be handed out to earthquake victims, foreign organisations can at least help feed and clothe the refugees. But they can have little impact on the eventual fate of those who lost what little they had before dawn on February 4.

The inhabitants of the towns and villages worst hit by the disaster probably have more chance of recovering at least their previous status than the slum-dwellers of Guatemala City. The reconstruction problem in towns of, say, 5,000 inhabitants, is of a manageable size, above all because alternative building land is available nearby. Much of the recent maize and bean harvests have also been rescued from rubble, while both the Government and foreign groups —for political and romantic reasons respectively — are attracted to helping the backward rural areas. Finally, despite simmering conflicts with mixed-race groups, the Indian communities are held together by ties of tradition, culture, language and family.

In contrast, although "only" about 1,000 people died in Guatemala City, some 60,000 adobe houses were destroyed and over 250,000 people left homeless in the crowded northern slums of the capital. Even before the earthquake, these people lived precariously, with unemployment, violence and prostitution rampant and disease and malnutrition widespread. The shortage of living space had led thousands of families to squat close to or in the 300-foot ravines that break up the city plain. Most of these sites are now too dangerous to inhabit.

Since the capital is the stronghold of the Left-wing opposition, the Government's National Emergency Committee has been conspicuously reluctant to channel emergency relief through municipal bodies to the city's needy, and is going to assume a similar attitude during reconstruction.

While many Indian communities are working to help themselves over the crisis, demoralisation has set in in the city. "We need food and water and shelter," women shout at visitors to the slums. "I'm trying to get people working for their food," one community leader said, "or are just going to be around waiting for thei

Yet, because the impa disaster is so related socio-economic conditio victims, the earthquake l ably released politica shocks that may only b one or two years' time. T ernment may succeed in ing refugees with basic before the rainy season in May, but it is diff imagine that slum-dwell not be deeply dissatisfi their lot by election time Similarly, while Preside Laugerud has performe during the crisis, he won elections through fraud chosen successor will inh popular base on which his campaign.

Perhaps the variable in this scenario will performance of the econ the coming months. Th agricultural export crop been unaffected by the and the numerous light tries in the capital are op once again, although factories used the earthq an excuse to dismiss personnel or political ag

Nevertheless, the conse that the disaster should a construction boom whi absorb many unem labourers and have a mul effect on the rest of the ec This, at least, might comp for the increased inflatio will inevitably follow the Government expenditure the in-flow of foreign cre

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MPLA demands pull-out of South African forces

JOHANNESBURG, Feb. 19.

SOVIET-backed MPLA s in Angola, claiming nition from 73 nations, to-warned South Africa to get oops out of Angola
he MPLA has demanded mmediate and total with-l of South African forces Angola to prevent the shed- of more blood," the mesburg Star said to-day, ting a monitored broadcast Luanda.
: South African Govern- despite a nationwide flurry edia and opposition post-ms on the regime's un-ssful military involvement est Africa, maintained its e on future intentions.
Star said the MPLA e "has undertaken not to neighbouring countries turn has called for guaran-hat there will be no attack Angola." This followed r reports of secret peace nges between Pretoria and la.
th Africa still has an estimated 4,000-5,000 troops just inside the southern Angola border with Namibia (South West Africa). They were with-drawn from central combat zones last month. The Cuban-led, Soviet-armed Marxists swept un-checked through the country and the resistance of the two pro-Western factions collapsed last week
UPI

● The British Government was disappointed in its failure to get a common EEC approach to the recognition of the MPLA regime, Prime Minister Mr. Harold Wilson told the House of Commons in London.

Replying to a question Mr. Wilson said: "I express the dis-appointment of the Government because our efforts to secure a common approach to the matter of recognition were not success-ful because of some countries wanting to go—to coin a diplomatic phrase — off at half-cock."

Meanwhile Japan is set to extend diplomatic recognition to the MPLA regime, a Foreign Ministry spokesman said in Tokyo.

Japan will recognise the MPLA "because it seems to have control over a large area" of Angola. The Foreign Ministry spokesman said the official announcement would be made following a Cabinet meeting pre-sided over by the Prime Minister Mr. Takeo Miki.

In Lima a senior U.S. official said U.S. Secretary of State Dr. Henry Kissinger is planning to visit Africa in the first two weeks of April. The official said Dr. Kissinger, now on a Latin American tour, had no plans to travel to the Middle East before President Ford's projected visit to the region.

He added that it was not yet certain that the President's Middle East trip — planned for April or May—would take place.
Agencies.

ajor town captured'

LISBON, Feb. 19.

ES OF the Unita liberation nent have regained control eir former military head-rs town of Bié (Silva , a leading Unita official iere to-day.

Marques Kakumba told a conference that Cuban-led of the rival MPLA were out yesterday. But he he Unita forces did not the town, since they were sing guerilla tactics be- of the MPLA's military ses, and had taken up con-g positions around the

Unita 'killed civilians'

BY JANE BERGEROL

BENGUELA, Feb. 19.

MORE THAN 200 bodies have been found scattered on a hill-side abotu six miles from Lobito. They include the bodies of some FNLA soldiers in uniform but also those of a number of civilians, among them women and children. The bodies were in various stages of decomposi-tion.

There are allegations that they were victims of executions by the Unita forces who, it is alleged by some Angolans here, carried out a policy aimed at eliminating suspected MPLA sympathisers.

Reuter reports from East Berlin: The official East German news agency ADN said in a report from Angola to-day that Unita had massacred hundreds of prisoners belonging to the MPLA. An ADM correspondent said he had seen mutilated bodies littered around 20 mass graves at a jail near Bié, formerly Silva Porto.

The correspondent, Dr. Dieter Coburger, said in a despatch from Bié the number of corpses could not be ascertained, but he added that he had found 235 pairs of canvas shoes at the edge of a nearby maize field. "The prisoners must have had to take them off before they were killed," he wrote.

gypt raises exchange premium

MICHAEL TINGAY

CAIRO, Feb. 19.

r to-day raised the pre- paid on the incentive ge rate by 15 per cent. the value of the dollar 59 to 64 piastres on ges by tourists and various ransactions.

official exchange rate s at 39 piastres per dollar. he incentive premium goes m the 50 per cent. first in May, 1972, when the l market was established, per cent. The parallel was set up to attract currency from abroad help combat the expand-ick market.

parallel market, which turns over between £E13m. and £E15m. a month, came under pressure last year when trade regulations permitted the import of goods by private citizens with currency held abroad, up to a value of £E5,000 per head.

To-day's measures are a fur-ther attempt to curb black market dealings, which have gained strength at the expense of the parallel market in the past six months. Incentive rate dealings cover exchanges by tourists and foreign visitors, by Egyptians bringing in foreign currency from abroad, and a chunk of foreign trade in the private sector licensed to deal at the premium rate in what are called non-traditional exports.

According to the official view, about 5 per cent. of foreign trade is transacted at the incentive rate, while the vast bulk of trade in "traditional commodi-ties" is done at the official rate by the public sector.

Trade carried out at the free market rate with currency held abroad is known as "own currency" importation, of which no measurement is available. Sources at the Institute of National Planning estimate own currency trade exceeds incentive rate trading by 10 times.

Kenyatta fury at Amin threat

Provoked by Ugandan claims of sovereignty over large areas of Western Kenya, President Jomo Kenyatta yesterday said his country was prepared to go to war to defend its borders UPI reports. Tens of thousands of persons demonstrated throughout Kenya and denounced President Amin of Uganda as a "killer," "murderer" and "lunatic."

Kenyatta underlined the gravity of the deteriorating situation between the two partners in the East African Community by arriving unannounced to address an anti-Amin rally in the capital.

"We bought our independ-ence with our blood . . . not goat blood, not cow blood, not ch'cken blood, but human blood," Kenyatta told cheering crowds. "And we will guard it with our blood."

Soviet-Egypt 'breach' onMiGs

Russia has told Egypt it will no longer overhaul the engines of MiG21 jet fighters in the Egyptian Air Force, according to U.S. intelligence sources quoted by AP-DJ.

Sinai testing

The four unmanned Sinai listening posts on both sides of the Gidi and Mitla passes, which are to be monitored by U.S. technicians, were success-fully tested for the first time, Reuter reports from Tel Aviv.

Nkomo returns

Rhodesian nationalist leader Joshua Nkomo returned to Bulawayo from Johannesburg on Wednesday night with his wife, Johanna, who fell ill during a flight from Swaziland and spent a night in a hospital near Johannesburg. She has fully recovered. Reuter reports.

Arab shuttle

Arab League Secretary-General Mahmoud Riad left Cairo yesterday for Algiers at the start of a shuttle-mission to try to solve the crisis over the Western Sahara, Reuter reports. He is also to visit Rabat and Nouanchott.

Re-education

South Vietnam's 2m. Roman Catholics will attend re-educa-tion classes as a result of con-tinued resistance to the new Government, UPI reports.

OPEC date

Oil Ministers of OPEC will meet in Indonesia in late May, according to a high official of Pertamina, the Indonesia State Oil Company, as quoted by AP-DJ.

Kuwait may increase its oil production

BY RICHARD JOHNS, MIDDLE EAST EDITOR

KUWAIT, Feb. 19.

THE KUWAIT Government is thinking of pressing for a higher output of oil from its main fields next year. At present 2m. barrels a day are considered to be the optimum lifting.

This was revealed here by Mr. Abdel-Muttaleb al Kazzimi, Mini-ster of Oil. In an interview with the Financial Times, he said: "We would like to keep it at that rate (2m. b/d) until the end of this year. After that, we are going to think about increasing our production."

In the National Assembly, there has been continued pressure by conservationists to bring down the ceiling of 3m. b/d imposed in 1972 to 1.5m. b/d. Questioned about such concern, the Minister said: "We will put the facts in front of them and I think that they will agree."

Mr. Kazzimi is basically in favour of maximising oil produc-tion. He acknowledged the fact that Kuwait seems certain to generate large financial surpluses for the next few years, at least, but he would like to see in-creased production, because of the heavy cost of projects on which the State is embarking, in particular the development of a large petro-chemical industry.

In 1975, production from Kuwait's exclusively-owned oil-fields, which were fully taken over by the Government last November, dropped by 19.2 per cent to 1.53m. b/d. Since the beginning of the year, produc-tion has been restored to 2m. b/d, the Minister said.

Mr. Kazzini also commented on Iran's announcement of a 9.5 cent cut in the price of its heavier crude. He said that it was "reasonable" for Iran to try to regain lost markets—but not to increase its production at the expense of others. The Kuwait Government viewed the problem of differentials as an urgent one, but it was pointless to resume discussions in the absence of Algeria.

Israel's supersonic sales drive

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FOR A SMALL country with a small aerospace industry to be able to reach the supersonic combat aircraft exporting busi-ness in little more than seven years — having started from scratch and fought two wars for survival on the way—is a credit-able performance by any stan-dards. Yet it has been done by Israel Aircraft Industries, which in addition to meeting the needs of the Israeli Air Force is now offering its Kfir (Young Lion) supersonic multi-mission combat aircraft on the world market.

The Kfir, originally known as the Barak, is a delta-winged design (which clearly owes much to the French Dassault Mirage III and V series of fighters), capable of flying faster than Mach 2.2 (over 1,450 mph). It was initiated in 1969, with much knowledge being gained from an earlier programme of re-engin-ing and modifying the Israeli air force's existing Mirage III-CJs (which were used in the Yom Kippur War of October, 1973). An extensively redesigned and improved aircraft, unveiled pub-licly last year at Ben Gurion Air-port as the Kfir, is now building up in strength in the Israeli air force (numbers are still secret), to the point where Israel feels it can afford to divert resources from the defence programme to manufacture for export, to acquire vital foreign exchange.

Powered by a single U.S. General Electric J-79 engine, of 18,000 lbs thrust, the single-seat Kfir with its multi-weapon capa-bility (ranging from two 30mm cannon and Rafael Shafrir dog-fight air-to-air missiles to air-to-surface missiles and conventional bombs for ground support work) can match the MiG-21s and earlier types in the air forces of several Arab nations, and is probably also effective against the MiG-23 Flogger, which on the figures available has about the same take-off weight, engine thrust, operational ceiling and speed as the Kfir.

The Kfir has thus been designed and built in much less time than many western combat aeroplanes of comparable per-formance have taken. The work was done in Israel, with "some" help from outside. The biggest non-Israeli part is the J-79 engine, bought from General Electric of the U.S., but IAI's growing ability to make parts and to overhaul civil and military jet engines indicates that it may not be long before it can embark on engine design and manufac-ture in its own right. Indeed, it could probably do so already if enough money were available. The long-term objective of IAI is to build whatever it can at home, to conserve foreign exchange and reduce dependence on external sources of materials and parts that could be at the mercy of international politics.

Non-aligned

Mr. A. W. Schwimmer, the able president of IAI (who has built the company from the small 70-employee Bedek aircraft repair business he founded in 1953 to the present 18,000-strong enterprise working across the aerospace spectrum from civil and military jets, guided weapons and elec-tronics to repair and overhaul of civil jetliners) is now offering the Kfir overseas at $4.5m. a time. His target is those countries which are non-aligned politically, and want to stay so, but which do not build their own aircraft and need a high-performance multi-role combat type capable of air superiority as well as close sup-port for armies in the field.

South Africa is one of the targets, besides some countries in South America and South-East Asia, and with the help of export finance from the Israeli Govern-ment, orders may well be announced soon. IAI is reluctant to discuss the possibility of Euro-pean orders, but there is little doubt that some European air forces would like to get a com-bat aircraft like the Kfir at such a low price, and the adoption of a bold sales approach by IAI—such as demonstrating the Kfir at next September's Farnborough air show in the U.K.—could well reap dividends.

What the Kfir really means, however, is that Israel has now joined the club of advanced mili-tary aircraft developers. Although still a comparatively small David among a large number of Goliaths, it is confi-dent of both its present and future capabilities. While the Kfir, with its 1,450 mph capability at over 50,000 feet altitude, is claimed to be able to meet most modern combat air-craft up to the Mig-23 Flogger level, no one pretends it is a match for the Mach 3.2 (2,000 mph) Mig-25 Foxbat, which has been seen on reconnaissance mis-sions over Israel. It is to fill this latter requirement that Israel is buying 25 U.S. McDon-nell Douglas F-15 Eagle combat aircraft widely regarded as the West's most significant answer to the Mig-25. They will also ensure that Israel can keep pace with any later developments of the Mig-23, which has already run to several variants.

Suggestions that Israel has asked to build the U.S. General Dynamics F-16 lightweight com-bat aircraft under licence have not been confirmed, but there would appear to be little point in going to such lengths when it is already exploring further developments of the Kfir. One of the advantages of the delta-winged design is that it can be pushed to greater speeds than Mach 2.2 (as the French are planning to do with the new Dassault Delta Mirage 2000, which will fly at Mach 2.7). It is probable, therefore, that even while orders for the present Kfir are being canvassed, for delivery in 1977 and beyond, design work on the next generation will continue. One of the main reasons for the current emphasis on overseas sales of the Kfir is to provide the foreign exchange with which to pay for the advanced aeronautical develop-ments IAI has in mind.

What impresses any visitor most about IAI is its capability of producing advanced aero-nautical equipment with fewer of the sophisticated facilities found in Western aerospace industries. Labour costs are still comparatively low (about 40 per cent. below those of the U.S.), although rising, and so research and development can still be done more cheaply than else-where, partly because of the habit of adapting what is avail-able, and partly because of sheer brilliance—out of the 18,000 labour force no less than 2,000 have degrees of one kind or another—coupled with a high level of national and individual motivation.

Expertise

IAI's aeronautical expertise extends into the civil field, again with the basic emphasis on meet-ing not only internal defence needs but also those of civil export markets. It is build-ing two civil aircraft—the 20-passenger twin-turboprop Arava Short Take-Off and Landing aircraft, and the Type 1124 Westwind twin-engined business jet. The Arava, of which 27 have been delivered with another 23 on order, costs under $850,000. The Westwind, developed from the earlier Type 1123, costs $1.8m. which is less than a Hawker HS-125 or a French Falcon Type 10 or 20 executive jet. Arava production is running at three aircraft a month, and that will probably be increased this year or next. Westwind production, with orders and options for 15 aircraft in hand, is running at two a month, and may go to three by 1977.

IAI's exports in 1975-76 amounted to about $55m., and Mr. Schwimmer aims to boost them to about $120m. in 1976-77. Whereas last year some 70 per cent. of output went for defence purposes, Mr. Schwimmer wants to build up the civil side to account for at least 40 per cent. of turnover this year. In the longer-term, he sees IAI growing steadily both in the volume of its sales (which amounted to £(I)1.2bn. in 1974-75) and in the quality of its civil and military products.

Schmidt defends Poland treaties

By Adrian Dicks

BONN. Feb. 19.

CHANCELLOR Helmut Schmidt strongly defended his coalition Government's reconciliation treaties with Poland before the Bundestag to-day. warning the Christian Democratic opposition bluntly that it would be acting unconstitutionally in using its votes in the Bundesrat (the Federal Upper House) to throw the treaties out.

Other speakers from the Government side argued that defeat of hte treaties would have catastrophic results for the credibility of German foreign policy both towards the Eastern bloc and towards its allies in the West.

Herr Schmidt accused the Opposition leader. Dr. Helmut Kohl. of going against his own better judgment after pressure from Herr Franz-Josef Strauss. who has threatened to break his Christian Social Union's long alliance with the CDU if the CDU supports the treaties.

Unconvinced

Although Dr. Kohl forcefully defended his position. and his party's right to use the Bundesrat votes of the CDU-controlled state governments to defeat a foreign policy measure. the coalition still hopes to provoke a split in the opposition ranks before the Bundesrat debtae on March 12. The Saarland's Premier. Herr Roeder. has repeated his support for the treaties. while other moderate CDU members are clearly still unconvinced by Dr. Kohl's stance.

The Federal Government has meanwhile repeated its refusal to consider reopening negotiations with Warsaw. and has reiterated its faith in Poland's willingness to carry out the treaty terms. Herr Schmidt rejected the new terms sought by the Opposition. and said the treaties in their present form were the best that could have been negotiated.

Belgian plan for recovery

BRUSSELS. Feb. 19.

THE LOWER HOUSE of the Belgian Parliament to-day approved the Goverment's economic recovery plan. The plan has still to be approved by the Senate.

It includes measures to limit the growth of higher incomes. freeze rents and dividends. in crease State investment in the private sector. and combot unemployment.

Reuter

Police and strikers clash in crowded Barcelona street

BY ROGER MATTHEWS

MADRID, Feb. 19.

LABOUR TENSION continued to cast a shadow over the visit of King Juan Carlos to Catalonia to-day with most Barcelona municipal employees still on strike and riot police firing rubber bullets to disperse protesting building workers. The only municipal staff working normally are the locally-employed police and the firemen. who were yesterday brought under military discipline and would face courts martial for refusing to obey orders.

Rubber bullets

While an estimated 100,000 construction workers in all Catalonia remained on strike, some more militant members gathered in the Cathedral cloisters in Barcelona to discuss tactics for pursuing their wage claims. After the meeting groups of about 1.000 demonstrated in The Ramblas. where police repeatedly charged them and fired rubber bullets.

Workers retaliated with stones but police reinforcements arrived and the demonstrators moved off to other parts of the city where clashes continued.

Riot police also went into city hospitals where employees including some doctors and nurses had either stopped work or were discussing industrial action. In most cases the staff returned at least temporarily to their jobs.

But at the town hall all work has been brought to a halt with staff sitting idly at their desks. A three-man commission set up by the Mayor was expected to begin negotiating with the strikers later to-day.

King Juan Carlos is also due to visit the town hall with Right-wing groups calling for a mass demonstration in his support. The King has been receiving a warmer welcome outside Barcelona and was said to be gratified by the reception he was given in Tarragona to-day.

In Madrid the Government met under Prime Minister Carlos Arias to discuss the Minister of Finance's package of economic measures designed to back up last week's devaluation of the peseta. Apart from the fiscal measures already anticipated, the Government may approve proposals for a further substantial rise in the price of petrol and a sharp increase in taxes on various luxury goods such as whisky. coloured televisions, yachts and fur coats. Of these the petrol price increase, stemming directly from the effect of devaluation, is expected to prove highly unpopular

The Minister of Finance is understood to want the ordinary motorist to bear the full brunt of the extra cost of imported crude in order to avoid any rise in the price of fuel and diesel oils

Devolution

After to-day's meeting, which some observers expect to reveal clearly for the first time the sharp differences of opinion between the Economics Ministers. the Cabinet will prepare to leave for Barcelona where a further meeting under King Juan Carlos is scheduled for to-morrow.

This Cabinet session will deal with the problems of Catalonia, and some announcement can be expected on the theme of a marginal devolution of central Government power.

Jewish plea to Soviets

BRUSSELS. Feb. 19.

THE WORLD Jewish conference on Soviet Jewry ended here to-day with a declaration calling on the Soviet Union to end restrictions on would-be emigrants.

The declaration was drafted by leaders of the 1,200 mainly Jewish delegates from 32 countries and passed at the conference's last full session. Many delegates were optimistic of a positive response to their campaign. "After the last conference in 1971. there was a great increase in Jewish emigration from the Soviet Union," one said.

The three-day conference was sharply attacked by Arab countries and the Soviet Union. which staged Press conferences here and in Moscow in a bid to refute allegations of harassment of Jews seeking to leave the country.

The conference produced few new claims or statements and organisers banned Jews holding extreme views from taking part. Delegates were given little chance to speak in plenary sessions. U.S. rabbi Meir Kahane, whose activist Jewish Defence League advocates an end to all relations with the Soviet Union. was denied permission to speak. Police arrested him yesterday when he entered the Congress building and said to-day he had been expelled from Belgium.

Reuter

French call for guillotine after kidnap killing

By Rupert Cornwell

PARIS, Feb. 19.

THE KIDNAPPING and murder of an eight-year-old boy here has provoked a nationwide clamour for the death penalty. but has also caused a controversy over the efficiency of the French police, and created new political pressures on the country's legal system.

Philippe Bertand was seized on January 30 in Troyes in eastern France. On Tuesday evening his body was found in an hotel room on the outskirts of the town, and a 23-year-old acquaintance, earlier interrogated as a key witness by police, was charged with kidnapping, resulting in the death of the victim.

This is the eighth kidnap of a child in France in the last 13 months.

Autopsy evidence revealed that the boy was strangled a fortnight ago, long before the last demand for a Frs.1m. (£110,000) ransom. The man, M. Patrick Henry, has not been formally charged with murder.

But not only has the public at large and, as is usual, the French Press, already judged him guilty, but three senior members of the Government, including a Justice Minister responsible for the impartiality of French courts, have joined in the general clamour.

Most strident has been M. Michel Poniatowski, the Interior Minister who has faced criticism that clumsiness on the part of police prevented the kidnapper from being captured before the boy was killed. M. Poniatowski has publicly referred to M. Henry as "the murderer" and urged "swift and harsh" justice.

The Justice Minister, M. Jean Lecanuet has promised to speed up proceedings and stated his preference for the "exemplary" punishment of the guillotine.

Le Monde, the evening paper, commented in a front-page editorial: "Where is the State when its Ministers speak with the same fear and desire for revenge felt by the man in the street? What is its authority when it seeks not to answer public opinion but to incite it to retaliation? Is this not government by lynch law or something worse?"

No one has been executed in France since March, 1974. To judge by his election campaign statements. President Giscard d'Estaing leans personally towards abolition, and earlier this month reprieved a 19-year-old youth condemned to death.

Moro sees 'transition phase' in Ita

BY ANTHONY ROBINSON

MILAN, Fe

PRIME MINISTER Aldo Moro to-day presented the programme of his new one party minority Christian Democrat Government to both houses of parliament with a speech which recognised both the profound nature of the Italian crisis and the precarious nature of what is essentially a Government of last resort.

After tracing the course of the difficult inter-party negotiations which revealed the end of any lingering hopes of creating a new centre-left type Government Sig. Moro said his party agreed to form a Government on a minority basis in order to confront the economic crisis and avoid early general elections.

He also recognised that the June 15 election result had created a new political situation in Italy which he characterised as "a phase of transition." He repeated however his party's opposition to the entry of the Communist Party into the central Government with the scope of preserving a clear distinction between Government and opposition but called for a "constructive confrontation" in parliament.

The Government's economic programme reflects the outline announced ten days ago by the Prime Minister's economic adviser Professor Nino Andreatta. He made clear that the value of the lira would be determined essentially by market forces aided by an elastic currency support programme aimed at evening out temporary peaks and troughs rather than attempt to maintain the rate at an artificial level. He gave no date for the re-opening of the official exchange market.

The fight against inflation would have to be a first priority and this entailed keeping the public sector deficit within the L14,800bn. limit set as the condition of obtaining foreign loans.

He also announced tighter surveillance and higher penalties for illegal capital export offences. tighter controls on tourist receipts and payments as well as a promise to reduce tax evasion and introduce spot checks on selected inc[...] returns to encourage mo[...] worthy returns. A one ye[...] on wage and salary incr[...] the top 10 per cent. bracket is also proposed special tax on excess pr[...] been postponed following research into its practica[...]

The Government a[...] nounced its intention to [...] with plans to modernis[...] industrial structure incl[...] new national energy pla[...] outline has just been [...] by the ministries concer[...] investments in agricult[...] south of Italy and by th[...] controlled industries.

Nato plays down East Bloc troops cut offer

SOVIET BLOC nations yesterday presented a new package of proposals for troop cuts in Europe, but Nato diplomats said they could detect no major innovations. Reuter reports from Vienna.

Conference sources said the Soviet bloc had apparently dropped demands for all 11 "direct participants" in the conference to reduce forces from the beginning of a reduction programme. although all 11 would still have to make advance commitments. First cuts would be made by the U.S. and the Soviet Union, as demanded by the West, with other direct participants freezing their forces at existing levels pending reductions in a second phase. the sources said.

In a Canadian Broadcasting Corporation interview. General Alexander Haig. Nato commander in chief. warned about the growing Soviet military threat and said the alliance could no longer "sit on the sidelines as the United States. competently or incompetently, steps in to manage a global crisis," UPI reports.

Brezhnev for Soviet congress

Soviet Communist Party chief Leonid Brezhnev will deliver the keynote speech to the Party's 25th Congress on Tuesday, UPI reports from Moscow. He is expected to review Soviet foreign and domestic policy, while Prime Minister Alexei Kosygin is to report on economic affairs on the seventh day of the Congress.

Cypriots bargain

Greek and Turkish Cypriot negotiators met for their third full session of talks in Vienna yesterday. with UN Secretary-General Kurt Waldheim pressing hard for progress, Reuter reports.

Steel warning

The European Commission has issued a stern warning to the recently formed association of German, Dutch and Luxembourg steel producers to ensure it stays with the competition rules of the Paris steel and coal treaty, Robin Reeves writes from Brussels.

Sindona arrests

Three Italian bank officials were arrested in Milan yesterday following warrants issued by the magistrate investigating into the collapsed empire of Italian financier Michele Sindona, AP-DJ reports.

Swiss capital

The Swiss National Bank is completing the draft of an agreement by which Swiss and foreign multinational undertakings based in Switzerland would report on their intended capital transactions some three months in advance, John Wicks writes. The lack of such statistics had been a point at issue when Switzerland was negotiating to join the European currency snake.

French Communists' stock ri[...]

BY ROBERT MAUTHNER

PARIS, Fe

THE NEW liberal line adopted by the French Communist Party earlier this month has already paid dividends. In a public opinion poll published by the Paris newspaper Le Figaro to-day, the proportion of the electorate which has a good opinion of the Communists increased by four points to 35 per cent., compared with a previous poll in January. At the same time, M. Georges Marchais. the party leader, increased his personal popularity by as much as five points to 28 per cent.

The result of the poll, which was taken just after the 22nd Congress of the Communist Party, is of more than usual interest given the imminence of the French Cantonal elections in the second week of March, which are widely seen as a dress rehearsal for next year's municipal elections and, to some extent, for the Parliamentary election in 1978.

Although M. Francois Mitterrand's Socialist Party. which is allied with the Communists in the Union of the Left, continues to lead the field—with 60 per cent. of those questioned expressing a favourable opinion—its popularity rating has r[...] stationary.

The Communists do n[...] fore, appear to have woo[...] any voters from their ally. On the other h[...] parties making up the [...] ment Coalition, have su[...] significant setback over [...] month. Opinions favou[...] the Gaullist UDR dropp[...] 41 per cent. in January t[...] cent. this month, an[...] favouring the Inde[...] Republicans, President [...] d'Estaing's old party, al[...] down by three points to [...] cent.

Rome to investigate Lockheed payments allegatio[...]

THE LOCKHEED PAYMENTS

BY ANTHONY ROBINSON

MILAN, F[...]

THE Italian Government to-day decided to set up an official government inquiry to investigate the details of the procedure leading up to the contract for 14 Lockheed C-130 Hercules transport planes ordered by the Italian Air Force. This inquiry is in addition to the judicial investigation which has already got under way and which has led to the issue of arrest warrants for Lockheed's principal agent in Italy the lawyer Ovidio Lefebre and Signora Maria Fava.

The two inquiries follow publication of the Church Committee which alleges illegal payments to two Italian Defence Ministers.

The ministers in office at the time were the Christian Democrat Sig. Luigi Gui and the secretary of the Social Democrat Party Sig. Mario Tanassi. Sig. Gui was dropped at his own request from the new government formed by Sig. Moro and has asked for a judicial inquiry to clear his name.

The Lockheed scandal, coming on top of a long list of similar scandals involving payments to Italian politicians and officials by oil companies, banana importers and others has resulted in a massive Press campaign demanding a full scale inquiry without the politically nspired blocking tactics which have smothered previous inqu[...]

The absence of a c[...] decision on such ca[...] created a climate of s[...] here which has dama[...] reputation of the entire [...] class which has govern[...] since the war. It is a [...] which has even reac[...] presidency of the repu[...] to the fact that Sig. Lefebre, the lawyer fo[...] an arrest warrant h[...] issued, is a close person[...] of Sig. Giovanni Leone, [...] of the republic, and hi[...] There is no evidence [...] that Sig. Leone has [...] volved in any way in t[...] heed affair.

Miki wavers over emissary p[...]

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, F[...]

JAPAN'S PRIME MINISTER. Mr. Takeo Miki, seemed to have backed down to-day from his proposal to send a senior member of the Government as a special emissary to Washington to elicit the truth about Lockheed bribery allegations.

In a Press conference to-day. Mr. Miki said merely that he would consider sending an emissary "if necessary." In the meantime, Japan's new ambassador to Washington has been instructed to ask the administration to hand over to Japan all material relating to the case.

Mr. Miki's retreat followed a Cabinet meeting this morning at which his special emissary proposal seems to have been severely criticised by other Ministers including some members of the faction led by former Prime Minister, Mr. Kakuei Tanaka. One Tanaka faction member, the Minister of Home Affairs, Mr. Hajime Fukuda, said after the Cabinet meeting that the despatch of an emissary was "not necessary" and might injure Japan's relations with the U.S.

Two executives of Marubeni mentioned in alleged Lockheed payoffs have been hired back after resigning earlier this week, UPI reports from Tokyo. Former managing directors Toshiharu Okubo and Hiroshi Itoh have rejoined Marubeni as counsellors.

Given the very evident reluctance of the U.S Administration to release the names, which it is said to be holding, of "senior Japanese officials" al[...] have been bribed by L[...] it now looks as if efforts [...] the scandal up by direct [...] ment action will remain [...]

The Japanese Diet [...] tinue hearings like th[...] early this week at wh[...] sumed witnesses to the [...] allegations will be qu[...] under oath. But these [...] also seem unlikely to re[...] thing remarkable if the [...] days are anything to go [...]

The remaining possi[...] that the American Press [...] earth the names of Japa[...] cials supposed to hav[...] involved in the Lockhe[...] This is probably the w[...] sible alternative for Japa[...] various possible means o[...] ing the scandal. Its mo[...] sirable feature is that U. revelations would [...] regarded as settling the [...] Japan but would almost [...] provoke point blank [...]

Simon 'not interested in details'

WASHINGTON, Feb. 19.

TREASURY SECRETARY William Simon said to-day that the Federal committee which averted Lockheed Aircraft Corporation's bankruptcy with emergency loans in 1971 does not wish to know details of Lockheed's $24m. in bribes.

Simon's statement at a hearing of the Senate Banking Committee drew a bitter response from chairman William Proxmire, who declared it was a position that a "sordid record of bribery should be covered up."

Simon is chairman of the three-member emergency loan guarantee Board set up to administer a $19bn. loan programme for financially troubled companies. Lockheed is the only company which has applied for assistance and now has $195m. in loans that are backed by the Federal Government. Simon said the Board was "not interested in details" of the Lockheed payoffs, although the bribery disclosures may have seriously affected Lockheed's ability to meet its financial commitments. UPI

HOME NEWS

End dividend controls, says SE chief

BY MARGARET REID

MR. DENIS HEALEY, the Chancellor of the Exchequer, has been urged by the Stock Exchange to sweep away dividend control and abolish stamp duty on sales of stocks and shares.

A pre-Budget letter from the exchange's new chairman, Mr. Nicholas Goodison, argues that dividend curbs most hit those, such as institutional investors needing to meet pension commitments, and private individuals, who rely on the flow of dividends to meet commitments.

Stamp duty generally, it is claimed, makes private sector borrowers compete on unequal terms with the Government, since gilt-edged stocks are free of it.

The point is also made that even the lower 1 per cent rate of duty applicable to them dissuades foreigners from investing in the London market. Also, Common Market harmonisation proposals envisage abolition of the duty and a tax of 0.3 per cent. on both purchase and sale of securities.

The exchange is again asking for the dropping of the "25 per cent. surrender rule," under which U.K. investors have to bring home a quarter of the sale proceeds of foreign securities and so suffer a loss of the dollar premium on that sum.

Mr. Goodison also points out that Government and local authority spending is nearly five times the money raised by the private sector, and argues: "If industry is to invest more, the public sector must take a smaller slice of the cake."

There will be a Second Reading in the House of Commons on February 27 for the Stock Exchange (Completion of Bargains) Bill, introduced by Mr. Michael Shersby, Conservative MP for Hillingdon, Uxbridge. The Bill, which has the Government's support, provides for certain amendments of company and other law to make possible the launching of the Exchange's proposed new TALISMAN computerised settlement system.

Among the changes proposed is one which would allow companies' registers and other records to be kept in computerised form so long as there are adequate facilities for reproducing the information in readable condition.

This provision, although aimed at helping the operations of SEPON, the Stock Exchange company which will hold documents temporarily during the settlement process, would have wider application to other companies.

A Stock Exchange official said last night: "There is no intention in any way to make shareholders' records less available than now."

GUS to close 85 more menswear shops

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

GREAT UNIVERSAL Stores is closing about a third of its menswear shops because they are considered too small to be really profitable. Having shut about 80 John Temple shops in the last two years, it is now closing the remaining 85 stores in the John Temple group, making 300 employees redundant.

The Union of Shop, Distributive and Allied Workers, which met representatives of the GUS management yesterday, is to call a special meeting of John Temple staff throughout the country to discuss the severance pay deal offered by the company.

The John Temple chain, which formerly traded under the name of Weaver to Wearer, is one of the five GUS menswear chains. Originally a bespoke tailoring chain, it has fallen to the growing trend towards separates in men's fashions.

Most of its shops are small by to-day's standards, with sales areas of about 500 square feet. The company said yesterday that they were not big enough to secure the turnover necessary to make a profit in the difficult trading which the menswear market now faces.

The chain which has branches throughout the country, has been losing money for the last 18 months. Over the last two years GUS has been closing branches, as their leases fell in, and some have been converted to other stores within the group. USDAW had hoped that these earlier closures might save the remaining stores.

Though John Temple accounted for about a third of GUS's menswear shops, the chain was contributing far less than a third of turnover. In addition to John Temple, GUS also operates 150 Willerby shops, 50 Hector Powe stores and 25 Pierre Cardin boutiques. Recently it has been expanding the 70-strong chain of Just Pants fashion shops in an attempt to gain a larger share of the growing youth market.

The menswear market has had a difficult time over the last year, because of both static demand and cheap imports. Until now the pressures have been most evident on the manufacturing side, with a number of factories introducing short-time working.

Flixborough plant to be rebuilt with new safeguards

BY RHYS DAVID, CHEMICALS CORRESPONDENT

NYPRO U.K. has been given permission to rebuild its Flixborough caprolactam plant, scene of a major explosion in June, 1974, which killed 28 people and destroyed most of the original works.

Planning permission has been granted by Mr. Anthony Crosland, Secretary for the Environment, after a public inquiry and is subject to certain conditions aimed at ensuring maximum safety at the new plant.

The decision follows the recommendation made by Mr. H. M. A. Stedham, the planning inquiry inspector, who reported that the proposals put forward by the company—jointly owned by the National Coal Board and DSM, a Dutch chemicals group—went beyond merely rectifying deficiencies which led to the disaster.

Under the new plans the potential to cause danger and damage had been kept to a minimum in the design and layout of the plant, including a new route for the production of caprolactam avoiding the oxidation of cyclohexane process, which proved faulty in the earlier plant, he reported.

The expert assessor at the inquiry, Dr. D. H. Napier, advised that the probability of a major accident was very low and that of a major disaster negligible, under the new proposals involving the hydrogenation of phenol process.

The rebuilding of the plant which supplies a raw material used in the manufacture of nylon 6, is expected to result in savings to the balance of payments of £20m. a year. Since the explosion caprolactam for use in nylon 6 which accounts for roughly 30 per cent. of total production capacity in the U.K., has had to be imported.

New Midlands air charter company

By Our Own Correspondent

A NEW air charter company, Eastern Airlift, will start operating from the East Midlands airport, Castle Donington, on March 1.

It has been set up by the Eastern division of British Road Services and a new private company, Air Nottingham.

The charter company will operate air taxis round the clock for carrying freight or passengers to destinations anywhere in the U.K. or Europe. Cessna or Comanche planes will be used.

Major reshuffle in Chrysler U.K. top management

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

[CHR]YSLER U.K., in the wake [of it]s Government-backed reconstruction, yesterday announced [a ma]jor reorganisation of its top management.

[Tw]o key positions have [been] created to oversee the employee-participation programme and the integration of [its] manufacturing with the [grou]p's Simca subsidiary in [Fra]n[ce]. The two main Board [posts] have yet to be filled by [Gove]rnment nominees as part of [the r]escue deal.

[Th]e company has also pro[mote]d Mr. Don Lander, manag[ing d]irector of Chrysler U.K. to [vice-]president Europe. He re[tains] his responsibility for the [Briti]sh-based company.

[Mr.] Lander, managing director [of C]hrysler U.K. during the [troub]les which have plagued it [in t]he last two-and-a-half years, [there]fore becomes a central [figur]e in the plans to bring the [manu]facturing and marketing [organ]isations of the group's [Britis]h, French and Spanish [comp]anies closer.

[Sin]ce the rescue plans for the [Britis]h company were an[nounc]ed it has been stressed [that] integration of resources is [a cor]ner-stone of the strategy to [bring] the company back to [profit]s.

[Mr.] Gwain Gillespie, who was [Mr. L]ander's predecessor as head [of th]e European operations and a senior member of the Chrysler team which negotiated the agreement with the British Government, is promoted to Chrysler's top finance job in the United States.

The new director of manufacturing programmes, who will be looking at the utilisation of resources in the British and Continental factories is Mr. Bob Irwin.

Accepted

Mr. Ken Young, the new director of employee-participation and communication, will head a recently-established force of 24 people responsible for carrying out Chrysler's ambitious programme. This has been accepted in principle by the workers.

The only newcomer to the management team from outside the U.K. company is Mr. George Lacy, who becomes deputy managing director responsible for manufacturing, sales and marketing and export operations.

Mr. Lacy is a Canadian, as are Mr. Lander, and Mr. Gordon Pfeiffer, the director of sales and marketing.

The other new appointments are Mr. Joe Daly, who becomes director of finance, and Mr. Tom Darby, who becomes director of industrial relations and personnel.

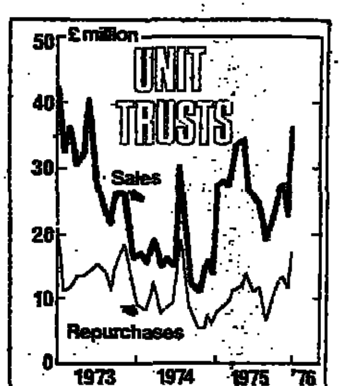
[J]anuary unit trust sales [u]p 60% to £36m.

[BY] ERIC SHORT

[UNIT] TRUST sales in January [rose] by 60 per cent. on the [previo]us month to £36.4m., the [highes]t value since June 1973, [and m]ore than £2m. above the [same m]onth for last year.

[Rep]urchases also showed a [marke]d increase from December, up 50 per cent. to £17.3m., [the hi]ghest since July, 1974.

[This] resulted in net new invest[ment] on the month of £19.1m., [the b]est for seven months and [susta]ined the improvement in [activit]y seen in 1975 from the [depres]sed conditions of 1974.



[Mr.] A. P. W. Simon, chairman [of th]e Unit Trust Association [and m]anaging director of the [...] Group, said that the [figures] showed that investors' [confid]ence in the unit trust [movem]ent had really come back. [Tota]l value of funds under management by the unit trust sector reached £2.73bn. at the end of January, a record, surpassing the previous peak of £2.65bn. attained at the end of December, 1972.

[B]eer output highest since 1929

[BY] KENNETH GOODING, INDUSTRIAL CORRESPONDENT

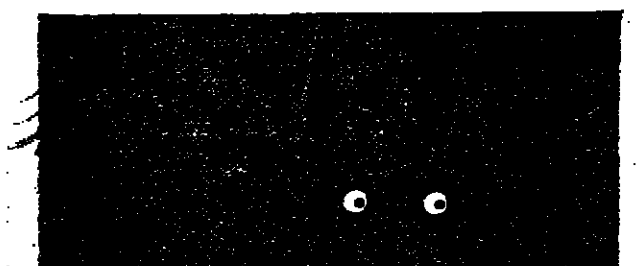
[BEER] PRODUCTION last year [reache]d the highest level since [statisti]cs were first collected in [their p]resent form in 1929. But [bre]wers are not optimistic [about] prospects for 1976.

[Outp]ut for 1975 was 39.45m. barrels (equivalent to [nearl]y 11.4bn. pints) and was [3.4 pe]r cent. up on the 38.52m. [barrels] rolled out in the previous [12 mo]nths.

[The] 1974 production total was, in turn, 4.8 per cent. ahead of the previous year's record against the 2 to 3 per cent. annual growth the industry expects to see.

Undoubtedly, it was the fine weather in 1975, which had the best summer for many years, that was the major factor in beer sales.

It enabled the industry to shrug off, at least for the time being, the 2p a pint tax increase imposed in the April Budget.



HOME NEWS

British Gas £20m. loans for Frigg Field system

BY RAY DAFTER, ENERGY CORRESPONDENT

TWO NEW loans totalling £20m. have been provided by the European Investment Bank to British Gas to help pay for the Frigg Field gas transmission system.

The loans will help finance the laying of the pipeline from the Scottish terminal at St. Fergus to other parts of Scotland and the North of England.

The advance over ten years and at an interest rate of 9.5 per cent., will bring to £67.8m. the finance so far provided by the Bank for different sections of the transmission scheme.

British Gas is investing about £200m. on its part of the terminal and the inland transmission system which will be linked to the national distribution grid.

In June last year, £24.2m. was provided in two loans for the construction of a pipeline between Bathgate, near Edinburgh, and the St. Fergus terminal, where Frigg gas will be landed by submarine pipeline.

The project also included an extension to Preston, Lancs., with a spur branching off at Longtown, near Carlisle, to Bishop Auckland (Co. Durham). In July, a further two loans, totalling £23.6m., were granted for a second pipeline between St. Fergus and Bathgate.

The latest project includes a second pipeline between Bathgate and Longtown and the construction of a 25,000 hp compressor station.

The Frigg Field, which straddles the median line between the British and Norwegian sectors of the North Sea, is expected to start producing in October next year.

It will eventually enable the Gas Corporation to increase by about one-third natural gas supplies to British customers.

The Bank commented yesterday that the project also promised significant regional benefits since the Frigg gas would be made available to industry in development areas of Scotland and Northern England as well as other parts of Britain.

The Bank has now provided finance totalling £319.3m. in the U.K. since Britain joined the EEC. Of this sum, £155.8m. has been granted for projects which will improve energy supplies.

These include the construction of two nuclear power stations and the opening of new coal mines. In 1974 some £10.4m. was provided to help finance production installations in the Frigg Field itself.

£500m.-a-year oil tax yield forecast for 1980

BY OUR ENERGY CORRESPONDENT

THE NEW Petroleum Revenue Tax on North Sea oil operations may raise £500m. annually by 1980, more than the present yield of £380m. from Capital Gains Tax, or of £340m. a year from death duties, said Dr. Jon Morgan, of Surrey University, yesterday.

He told an Institute for Fiscal Studies conference in London that the forecast was based on a limited decline in oil prices from present levels. If prices remained stable the tax would yield £628m.

Dr. Alexander Kemp, of Aberdeen University, criticised the tax for being "too blunt and insensitive." He thought the system of taxing North Sea oil could not deal "effectively or neatly" with economic rents or marginal fields at present-day prices.

Mr. R. T. Esam, of the Royal Dutch Shell Group said the tax was a considerable improvement on the Government's original proposals. The legislators had made a determined effort to recognise the particular problems of the oil industry.

Auk Field on stream

● The Shell-Esso group has started loading oil from its Auk Field in the North Sea into the 40,000-ton tanker Zaria. The field, about 170 miles offshore, is the third in the U.K. sector to come on stream.

Auk oil is being loaded through a single-buoy mooring system. The crude will be carried to Shell's Teesport refinery, where it will be processed into petroleum products.

The field, being developed at a cost of £58m., is expected to produce about 40,000 barrels a day by 1977-78. But with only 50m. barrels of recoverable reserves, the field should be drained by 1980 or 1981.

Scottish rail signalling order placed

By Our Glasgow Correspondent

A £5.5m. contract was signed in Glasgow yesterday by Mr. David J. Cobbett, general manager, British Rail, Scotland, and Mr. Thomas P. Cunningham, managing director, GEC-General Signal, Hertfordshire, for new signalling between Berwick-upon-Tweed and Polmont on the main Edinburgh-Glasgow line.

The signalling is part of the £13.2m. Edinburgh and East of Scotland track improvement and resignalling scheme, which paves the way for 125 m.p.h. passenger trains on the east coast main line.

Manchester housing plea

COUNCIL leaders in Manchester are seeking a meeting with the Department of the Environment to ask for permission to lend more cash to home buyers who have been refused mortgages by the building societies.

The city, whose mortgage allocation has been substantially reduced this year to £4.75m., also wants the go-ahead for a new loans system under which money would be lent by the societies with the corporation putting up a guarantee.

At the same time, the city's finance committee will be urging the Government to bring more pressure to bear on the building societies to alter the criteria for home loans, which it claims has already disqualified many people from buying the older type of property. In the meantime it is restricting corporation mortgages to people in slum clearance areas and to council tenants until a detailed list of priority categories can be worked out.

The move follows the failure of a scheme under which the corporation nominated mortgage applicants to the building societies because its own funds were exhausted. A report disclosed yesterday that of the 372 couples whose names were forwarded, only 50 were accepted for loans.

Machine tool orders outlook 'difficult'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BY THE end of last October, the machine tool industry had only about six months work on hand, according to Department of Industry statistics published to-day.

At just over £200m., orders on hand were lower than at any time since 1973, were 10 per cent. below the level of the previous three months, and 27 per cent. down on the corresponding period of 1974.

The industry continued to keep sales up at a fairly high level, however, and they were 33 per cent. above the new order intake.

Giving details in Trade and Industry magazine, the DI comments: "With the new orders continuing significantly below sales, present order books could only sustain the present level of industry activity for the next half year or so, and no doubt certain producers will be less favourably placed than others."

This echoes the warning contained in the mechanical engineering "Little Neddy" short-term trends report published earlier this week, which pointed out:

"Although aggregate statistics show an apparent order book of several months, this masks the serious position in which some machine tool manufacturers are now finding themselves and also ignores the distribution of the remaining workload between departments within individual companies."

So, the first six months of 1976 "look like being a very difficult period for the machine tools sector and further redundancies cannot be ruled out."

The most recent information from the industry suggests that by the fourth quarter of 1975, most companies were receiving an order input of below 50 per cent. of capacity.

Given the pattern of past trade cycles, it seems likely that new orders for the machine tool makers will not pick up again until the third quarter of 1976 at the earliest.

New orders received (net of cancellations) from home and abroad continued to decline from the peak intake of the second quarter of 1974. At £50m. for the third quarter 1975, this was the lowest level since the second quarter of 1972.

Consumer spending steady despite wages 'squeeze'

BY MICHAEL BLANDEN

CONSUMER spending remained relatively firm up to the end of last year in spite of the pressure on real incomes as a result of the pay policy.

New figures for the fourth quarter of 1975 published by the Central Statistical Office put consumers' expenditure at £8.83bn. (seasonally adjusted and at constant prices).

This is £40m. higher than the first estimate produced last month and indicates a slight increase in real terms compared with the third-quarter figure of £8.81bn.

The revision to the figures does not change the general impression that with some exceptions consumers have been drawing on savings in order to maintain the level of their spending.

The fourth-quarter total is 2¼ per cent. down compared with the figure of £9.06bn. in the same period a year earlier.

It shows, however, that spending has changed little recently when there has been a widening gap between the rate of increase in earnings and the level of price inflation.

The 19.3 per cent. rise in average earnings over the 12 months to December was more than 5¼ points less than the increase in retail prices over the same period.

Main factor affecting spending in the fourth quarter of 1975 was car and motor-cycle sales.

Consumer spending on these items fell nearly 14 per cent. from £337m. in the third quarter boosted by British Leyland's "Superdeal" promotion — to £290m. in the fourth quarter, affected by production problems.

There were increases in some other areas of retail sales, including radio and electrical goods, with spending on durable household goods as a whole up from £389m. to £398m.

Expenditure on food, drink and tobacco also rose from £2.78bn. to £2.83bn., while housing, fuel and light took £1.57bn. (£1.54bn. in the third quarter).

Spending on clothing and footwear slipped from £770m. to £753m.

Ulster MPs hit at Provo contacts

By Our Belfast Correspondent

MR. MERLYN REES, the Ulster Secretary, has again become the target for attacks from Northern Irish politicians because of discussions between his officials and the Provisional Sinn Fein, political wing of the Provisional IRA.

While Mr. Rees denied in the Commons that officials had talked to the IRA a senior spokesman at Stormont left no doubt yesterday that contacts with Sinn Fein, which began during the ceasefire, had continued in recent weeks.

Officially, the Northern Ireland Office maintains that civil servants are available to explain points of Government policy to any legal organisation. But politicians on both sides of the divide have long ceased to make the distinction which the Government publicly adheres to between the political and military wings of the IRA.

The latest row began when Mr. Patrick Devlin, a leading member of the mainly Roman Catholic Social Democratic and Labour Party, claimed that the Government was attempting to ease out SDLP members as representatives of the Catholic minority.

Mr. Devlin said that when the Constitutional Convention failed, the SDLP would no longer have a public role and the Provisionals would be "phased in." Unless the Government's dialogue with the Provos was stopped, he said, it would lead to "a total collision" between Protestant para-military groups and the IRA.

Fresh moves on NVT

By Our Midlands Correspondent

MR. PETER CONSTANCE, a Cardiff businessman who heads a group seeking to buy the Norton Villiers motor-cycle and industrial engines plant at Wolverhampton, said yesterday that further proposals would be put to the liquidator shortly.

Mr. Kenneth Morgan, the liquidator, and representatives of Barclays Bank, had a meeting in London yesterday with another prospective buyer, Mr. Ronald Titcombe, who heads an oil consultancy and who met the former employees on Wednesday to outline his proposals.

It is understood that a substantial degree of agreement was reached and that the financial considerations were settled.

Funds sufficient to save Lifeguard

BY ERIC SHORT

ENOUGH FUNDS have been raised to keep Lifeguard Assurance Group solvent, the Board announced yesterday. Sir Anthony Grover, the chairman, said that as a result of this fund raising operation, the company would be able to continue meeting its contractual obligations to all its 100,000 policyholders.

He said that the actuarial valuation as at June 30, 1975, the end of the last trading year, had revealed a deficit of £1.46m. and shareholders and other interested parties, corporate and individual, has raised an amount of £1.5m. to cover this shortfall.

Obligations

Lifeguard announced at the end of November that it was ceasing to take new business and that shareholders and others, including Lloyd's brokers, were being approached for further funds so that the company could at least meet its legal obligations to policyholders. At the same time it virtually locked policyholders into the company by putting its surrender values on a penal basis which for recently effected policies was as low as £1.

The Board confirmed yesterday that it would continue to operate on a closed fund basis and would not accept any more business. It also said that the restoration of more normal surrender values at this stage could jeopardise the solvency of Lifeguard again and imperil the interests of annuitants and those policyholders who wished to keep their policies in force.

Mr. Victor Wood, deputy chairman, who will take the chair after the annual general meeting on March 22, said that the Board had considered putting the company into liquidation so that policyholders could then be rescued under the terms of the Policyholders' Protection Act 1975. This course, said Mr. Wood, had been rejected for several reasons.

The Act provides only 90 per cent. protection based on policy values that could well be scaled down if the Policyholders' Protection Board considers them to be excessive. Lifeguard was seeking to maintain 100 per cent protection and this it had been doing since November for contractual claims such as annuity payments, death and maturity values and guaranteed surrender values.

Mr. Wood said that he now had real confidence in the future of Lifeguard as a closed company. There had been a drastic reduction in expenses, with the number of staff being reduced from 380 to 100 by the end of March.

He hoped to ease the penal surrender values and return to a normal bonus policy as soon as possible. Meanwhile bonuses at the current rate would still be alloted to with-profit policies that matured or became death claims.

Too fast

Sir Anthony Grover admitted that mistakes had been made in the past by the Board and that business had grown at too fast a rate resulting in a large deficit between expenses incurred and those allowed for in the premiums. The new regulations for the valuation of liabilities and assets had hit Lifeguard hard.

Mr. Max Lander, a senior partner in Duncan C. Fraser (the actuaries to Lifeguard) and a former director said that these new regulations in effect required young life companies to put up much more capital in order to demonstrate technical solvency to the Department of Trade.

Scottish councils voice concern on devolution

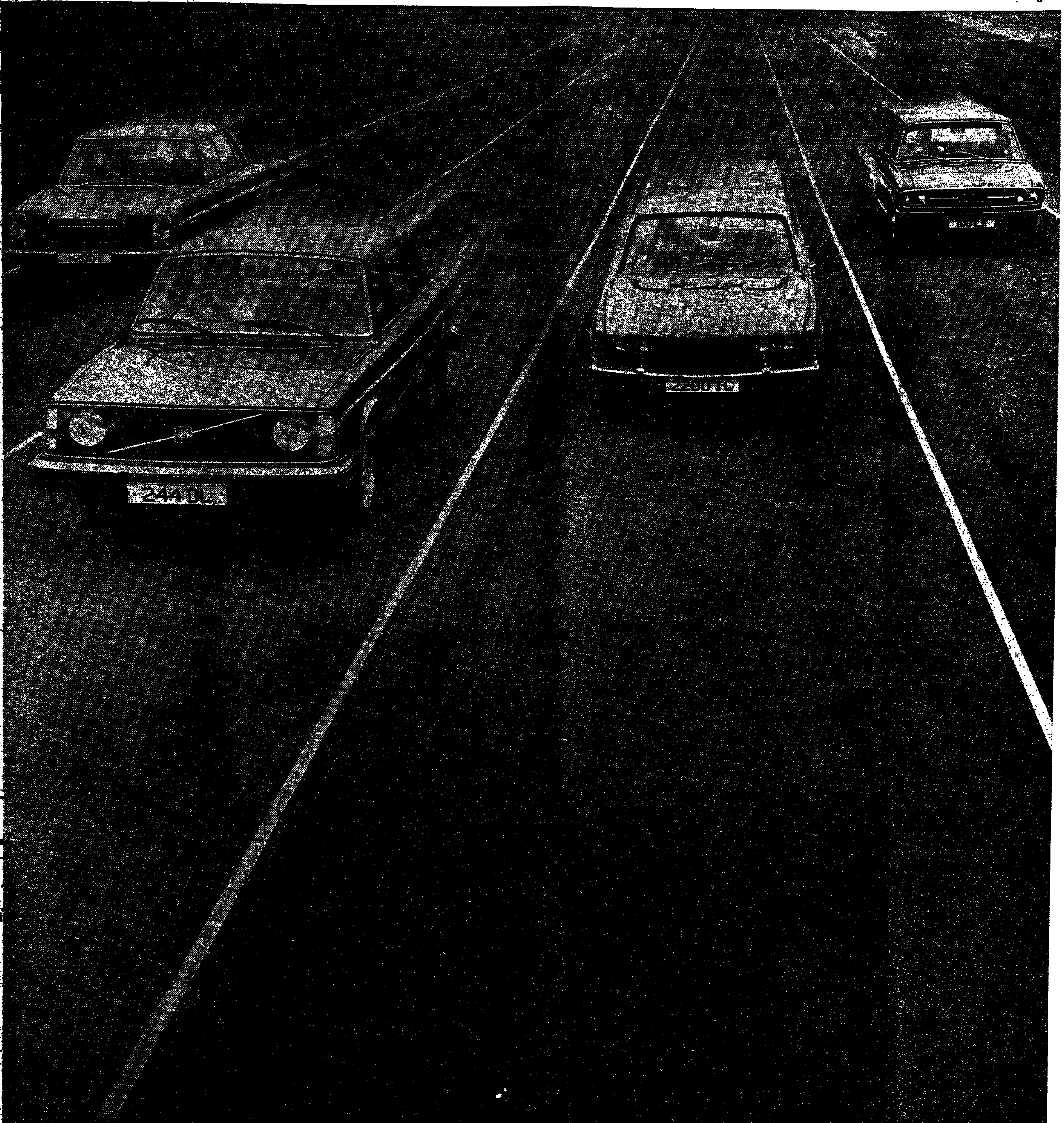
FINANCIAL TIMES REPORTER

THE POLICY committee of the Convention of Scottish Local authorities has called on the Government to make clear that the degree of independence and freedom of action which local authorities now enjoy will continue when a Scottish Assembly has been established.

In a report on devolution by the committee, to be submitted to a meeting of the convention in Edinburgh to-day, fears are expressed that some tasks and powers exercised by local government might be removed.

"It is accepted that local authorities are now, and will in future, be subjected to control. Local authority members should, however, continue to have the widest possible measure of freedom to determine the policies to be pursued by their authorities."

APPOINTMENTS



This is a picture of a Volvo doing something Volvos aren't supposed to do.

By and large, people don't think of the Volvo 244 as a performance car.

And it's true that some other cars can enjoy a momentary advantage at the traffic lights.

Yet between 30 mph and 50 mph, in top gear, the Volvo 244 DL will out-accelerate most cars in its class.

At 10 seconds it out-performs the Audi 100 LS (13.5 secs), the Rover 2200 TC (10.7 secs) and the Mercedes 200 (12 secs).*

In this way, Volvo give the motorist something more valuable than a Grand Prix start.

Peace. Quiet. Flexibility.

The Volvo 2.1 litre engine is extremely restful. (Motor magazine called it 'quiet and smooth.')

Even in town driving you'll find there's less need to change down to third than with most cars.

And if you ever have to pull a boat or horse-box, the Volvo engine's good low-speed characteristics make it the ideal car.

(Reassuringly, all this is achieved on economy grade petrol.)

In other areas the Volvo is equally aware of the motorist's real needs.

Its specification includes impact absorbing bumpers—so a small knock in the parking lot isn't going to put a big dent in your wallet.

The Volvo driving seat has been designed by orthopaedic specialists and is the only one with a lumbar support control.

Everything is there to make your journey safer and more comfortable, not simply to impress the neighbours.

So if you want a car that's first away from the lights, we couldn't honestly recommend a Volvo.

But if you want peace, comfort and quick overtaking, then the Volvo 244, very obviously, comes into the picture. **VOLVO 244**

*Figures quoted are from What Car? Magazine.

For your free copy of "The Volvo Facts" write to: Volvo Concessionaires Limited, Lancaster Road, Cressex Estate, High Wycombe, Bucks. HP12 3QE. Tel: (0494) 33444.
Export enquiries to: Volvo Concessionaires Ltd, 28 Albemarle Street, London W1X 3FA. Tel: (01) 493 0321.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

European equipment patterns

BRITISH manufacturers of materials handling systems and equipment will not benefit from the growth forecast within Western Europe by Frost and Sullivan.

Germany, France and the U.S., will be the major suppliers—other than domestic sources—according to a detailed 260 page study which has recently been published.

In evaluating the positions of West Germany, France, the U.K., Italy and Benelux, the research company sees their combined MH sales reaching the £4.35bn. level by 1984 (£3bn. in 1974). Equipment and systems sales, totalling £2.5bn. in 1974, registered a 60 per cent. gain over 1970 volume.

West Germany, with annual MH sales of £800m. in 1974 is Europe's largest single market. It is projected that by 1984 it will generate sales of some £1.3bn.

German producers should turn out 85 per cent. of their own requirements of conveying and lifting devices, with the remaining equipment and systems imported from France, the U.S. and the Netherlands.

Although growth in certain areas may be slowing down the survey predicts an increasing demand for conveying and lifting systems, particularly for manufacturing plants, transportation, food processing and the mechanical engineering field.

France, with annual sales of £650m., is the Continent's second largest producer and will show above average growth. Intensifying industrialisation in still unexplored areas should produce a 24 per cent. increase in the market by 1979. Continued growth estimated at 46 per cent. will be achieved by 1984, with the French MH market producing £800m. in 1979 and £1.15bn. by 1984.

Industry should absorb some 36 per cent. of the overall market, with transport taking up around 11 per cent. End-users will include: primary metals works, the transport field and food processing, in that order. France supplies 60 per cent. of its domestic demand with Germany, the U.S. and Italy as outside suppliers.

The U.K. consumption total, reaching £500m. in 1974 reflects the highest volume in relation to total investment, with rationalisation predominant. The industrial sector absorbs 37 per cent. of total volume with staggered economic growth expected to produce "below average" progress until 1979, when sales will stand at the £600m. mark.

Holland, producing only 43 per cent. of its domestic MH needs has, perhaps, the greatest long-term potential in Western Europe. In the main this comes from its geographic location which has enabled it to become the transport specialist of the Continent and 1974 sales of £217.5m. should grow slowly to anticipated £250m. by 1979, then rising by 1984 to around £335m. Petrochemical and consumer industries, together with transportation, will be the prime customers and Germany, France and the U.S. will be the major foreign suppliers.

Italy combines the smallest market with the greatest growth potential. Volume is anticipated to rise to £347.5m. by 1984, from £143.5m. in 1974—a 240 per cent. increase within a ten-year period. Major demand will emanate from the primary metals, transportation and chemical industries, with use of MH equipment greatly underdeveloped within the service sectors. Strong in isolated production areas, Italy meets 63 per cent. of its domestic demand with Germany, France and the U.S. providing the rest.

Control elements and storage systems, with respective 400 per cent. and 360 per cent. growth projections, indicate the largest volume rise, reflecting the overall move to automate and systematise the flow of materials. Overall, an increasing demand from industry and distributors for conveying equipment will, says the report, produce an estimated growth of some 60 per cent.

Cranes, once the most important single MH item, will show a decline 24 per cent. growth with mobile cranes increasing in utility. Lifting and hoisting equipment, replacing conventional conveying devices will show an estimated 48 per cent. volume gain.

Frost and Sullivan, 110, Strand, London, W.C.2 (01-836 8918).

● PHOTOGRAPHY

Rollei adds products

CURRENTLY in the process of trying to recoup a bad trading position world-wide (DM85m. loss in 1975), Rollei Braunschweig has announced it will be setting up new subsidiaries in Tokyo, Hong Kong and the Netherlands and has at the same time announced new products for 1976.

Aimed mainly at professional users and the top end of the serious amateur market is the long awaited SLX, a single lens reflex camera in 6 x 6 cm format. All the controls of the camera are controlled electronically via "a process computer" and linear motors are used for the diaphragm and shutter. After choice of aperture, fully automatic exposure occurs with the aid of three meter cells behind the reflex mirror. Availability will be in May, at about £900.

Due to appear at about the same time is the P3800 slide dissolve projector. Not much larger than the well known P35 machine, the new projector has two optical systems but only one slide magazine, with fading and dissolving times variable from 0.5 to six seconds. Remotely controlled, the 3800 should appeal to those professionally concerned with audio-visual presentation. Rollei (U.K.) is at Denington Estate, Wellingborough, Northants, NN8 2RG (0933 76431).

● MATERIALS

Applies the reptilian look

SHOULD A finish somewhat resembling reptile skin be required for hard surfaced items, such as TV cabinets, desk or table tops, it can be achieved with a lacquer developed by Schwartz Chemical of Canada, 777 McKay Road, Pickering, Ontario.

It is based on cellulose acetate butyrate (CAB) ester supplied in flake form by Eastman, and can be applied to surfaces such us wood or plastic by spray, *roller or brush. The finish is* created by the solvent evaporating at different rates, forming contractions in the liquid that become three-dimensional and result in varying-sized "islands."

Different proportions of pattern sizes can be produced. The base, texturing lacquer, and colour of the topcoat can be altered, and matt or gloss finishes are possible. The surface is said to be durable, and resistant to damage by humidity or heat.

Eastman Chemical International has a U.K. office at PO Box 66, Kodak House, Station Road, Hemel Hempstead, Herts., (0442 62441).

● MACHINE TOOLS

Reduces setting time

BORING MACHINES can be set quickly and simply for close-tolerance work with the Tenthset system, claims the maker, Bristol Erickson, Tower Road North, Warmley, Bristol (0272 677571).

The system comprises standard cartridges of various sizes and cutting tool configurations for use in a range of boring bars or for installation in special bars for specific requirements.

Increases or decreases in cutting diameter are made in seconds to an accuracy of 0.0025 mm with direct read-off from a vernier scale. Adjustments are made from the front only, using one hand and one tool. The company says that specially designed threads on the bars ensure zero backlash even during the heaviest cuts.

Each unit has a range of adjustment, from 2.8 mm on the smallest to 19 mm on the largest. Cutting tools for boring, facing and chamfering are available for bores down to 12.5 mm diameter.

● INSTRUMENTS

Speeds up titration

LABORATORIES undertaking routine or quality control analysis or analytical investigation in research might find useful an automatic titrator which gives a permanent record of the full titration curve, no matter what its shape, on 250 mm chart paper.

Called the Potentiograph, the instrument produces a graph with axes that show titrant volume against the level of a DC signal derived from an electrode giving, say, pH value or conductivity.

Among the facilities is an anticipation control which can slow down the titration speed as the slope of the curve increases (that is, approaching an equivalence point). It is also possible for flow to be stopped automatically at a preselected value of pH, voltage, or titrant volume.

Measuring ranges are selectable from 100 to 2000 mV and 1 to 14 pH full scale and there is a calibrated and continuous zero offset. Titrating speeds are variable from 5 to 200 minutes for a full burette. Automatic temperature compensation can be provided.

The titrating stand is also fully automatic and there is an illuminated digital read-out. More from Roth Scientific Company, 27 Osborne Road, Farnborough, Hants GU14 6AA (0252 515191).

● OFFICE EQUIPMENT

Ideal for business

OUTSTANDING among a number of new introductions from Commodore Business Machines is a 14-digit rechargeable financial calculator. In its design, the company has gone a very long way towards eliminating features of calculators which can lead to erroneous keying and time-wasting wrong results.

There are no dual function keys and the keyboard is in two parts, the financial operating keys being segregated to the upper part of the board. When a problem is being entered, if the user is at all doubtful about one or other factor already keyed in, this can be recalled for checking.

Calculation is carried out in simple logical steps and one valuable adjunct is an overflow indicator.

All percent calculations and compound interest work, mortgage and effective yield calculations, amortisation, present and future value and effective rate work can be considerably simplified by this unit which will be marketed with accountants, bankers, insurance salesmen and brokers and several other professions in view, though most businessmen could benefit from the ease of operation it presents.

At the top of the scale, so far as CBM is concerned, is a scientific machine with 90 preprogrammed functions. A 14-digit rechargeable, it has such exotics as summation, binomial distribution, slope and intercept, Gauss and Poisson distribution, and so on.

The company has also brought out a single chip design for four-functions and per cent. at what it considers an unbeatable price, together with two new table-top printing calc... tended to replace ... add-listers.

CBM is at 446, B... Slough, Bucks., or ... and its principal ... Boots, Currys, Wool... W. H. Smith.

● QUALITY CONTROL

Specialis... pass MO... tests

SILENTBLOC has p... Ministry of Defence qu... ance standards at the ... level. This places it ... very few companies no... accepted by the M... Defence as competent ... and manufacture to ... ments.

The new Defence ... 05-21 and its counterpa... present British indust... means to measure and ... cellence to both nat... international markets.

Silentbloc is now ju... petent to tender for ... of components to the M... Defence involving rul... nology and that of like... polymers and the b... these to metal. The com... can undertake basic de... and research as well ... work devolving from ... such bonding in situati... ing high vibration ... transmission.

● COMPUTERS

Motorola offers low costs

FOR ONLY £50 subscription fee per year M6800 microprocessor users can have unlimited access to a growing library of tested M6800 programs. Alternatively, membership is free for a year in return for any new program accepted.

There are now more than 30 programs in the library. Each new member receives a binder containing a complete source listing of most of these. He also receives a list of the available programs, which is regularly updated. The range includes solutions to mathematical problems, input/output control procedures and code conversion routines.

Currently listed in the user group library catalogue are, for example, conversion routines for Hex and BCD to binary, ASCII to morse and binary to BCD. Floating point (32 bit quantity) multiply, a decimal arithmetic package, re-entrant 16 bit divide, double precision multiply and square root of a 16 bit number are some of the mathematical packages.

Motorola on 01-902 8836.

Free-hand terminal

MOST existing devices to convey written or drawn information to a computer, such as light pens etc. are relatively expensive, wasteful of computer time and impede the writer by attaching wires or linkages to his stylus.

A cheap input terminal (CHIT), developed at the National Physical Laboratory, overcomes most of these problems and is suitable for use in remote interactive systems utilising the public telephone network as the communication link.

CHIT offers a simple and cheap means for providing *graphic information in the form* of a sequence of electrical signals by drawing or writing on a sensitive surface with no constraint on the type of stylus used. The surface may be covered by paper to provide both visual feedback while writing and hard copy.

The device consists of two orthogonal resistive strips separated by an air gap. Pressure from writing on the upper strip, which is flexible, deforms it into contact with the lower strip. Electrodes are connected across the ends of the strips so that when a current is passed through one strip, a uniform voltage gradient is developed along its length. The voltage at the point of contact will then be *proportional to its position on* the x axis.

The other strip is used as the "wiper" of this potentiometer and will attain this voltage.

By changing over the electronic switches the situation is reversed so that the other strip acts as the potentiometer and the first becomes the wiper for the y value. These reversals are repeated fast enough to sample the x, y co-ordinates of the path traced by a moving stylus.

A simple monitoring circuit is provided to ensure co-ordinates are not distorted by poor contact. For computer applications these co-ordinates are then expressed in binary digital form using an analogue-digital convertor. For handwritten character input the prototype incorporates a one-line character display based on a gas-discharge-tube matrix. For other applications lamp-illuminated legends would be sufficient.

NRDC is seeking a manufacturer prepared to exploit the CHIT design under licence. Kingsgate House, 66-74 Victoria Street, London SW1E 6SL (01-828 3400).

● DATA PROCESSING

Data found quickly

McBEE Systems (Litton) has acquired the marketing and distribution rights of the Raven optical coincidence information retrieval system, previously sold in the U.K. by George Anson and Co.

With the addition of this product and a new low cost system, McBee claims the largest range of optical coincidence systems (OCS) in the country. OCS is based upon a lightweight, durable Keycard bearing a coded grid. Data is identified by drilling a hole in the Keycard at points where cross-referenced characteristics or items detail the the information recorded. Selection is by means of super-imposing the cards one above the other, and viewing the batch before a regularly distributed light source.

Meanwhile, Capital Appointments has chosen the McBee TE 240 electronic programmable information selector.

This is understood to be the first such unit in the U.K. and it is based on the job vacancy, and not on the applicant's details.

The system uses Capital's own specifications and programme, and incorporates thousands of details about companies and jobs. Each information card (of which there are 5,000) represents a company, a particular group of companies, or particular types of job. All that is required of the operator is that he or she should fill out a question card specifying such details as the type of vacancy sought, personal preferences in working conditions, location sought etc.

Once the instructions have been fed into the *McBee TE 240*, the system scans the cards at a rate of 500 per minute, and the job cards answering the operators instructions fall into an output stacker.

Further information from McBee on 03742 3841.

European network by mid-1977

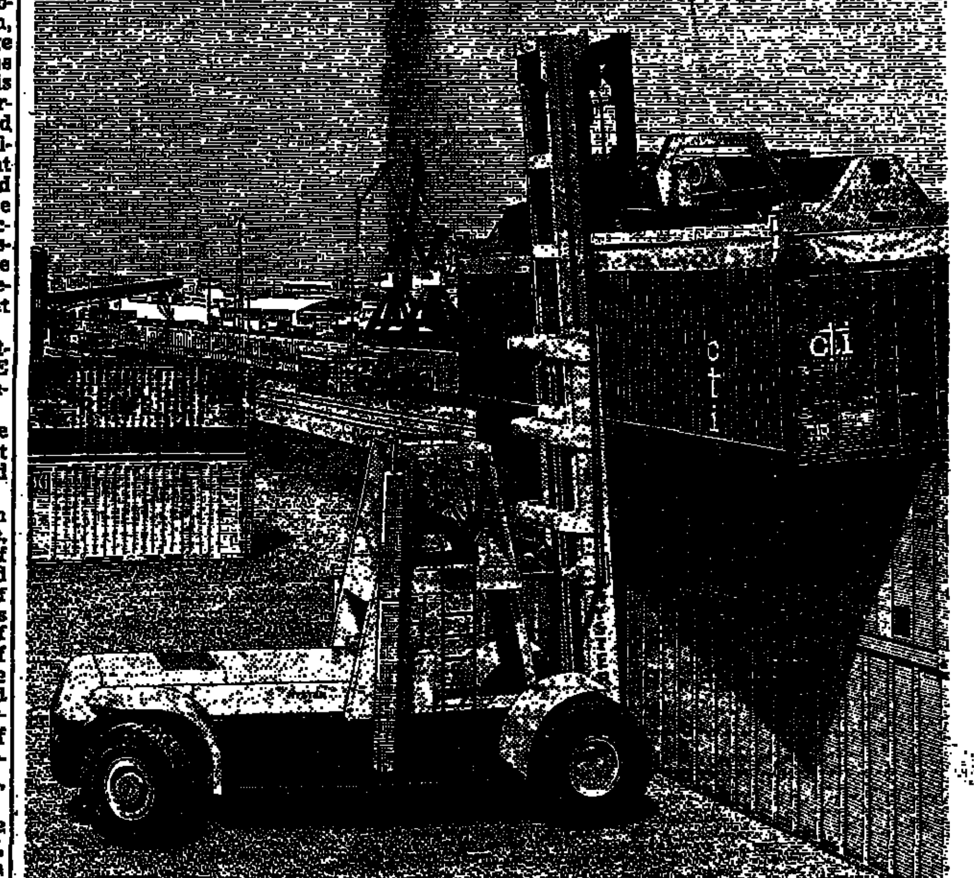
ON THE proposal of the Commission of the European Communities, the postal administrations in the community have agreed to set up and run the first European data-transmission network (EURONET). The first meeting of the Consortium of the nine national postal administrations was held on *February 6, 1976, in Paris.* This marked entry into force of the outline agreement concluded in December 1975 between the European Commission and the consortium, the president of which will come from the French postal administration.

EURONET has been designed to meet the requirements in the way of scientific and technical information of some 700 research centres, industry in advanced technology and public bodies at national and community level.

Plans are that EURONET will become operational in June 1977; it will have four nodal switching Centres in Rome, Frankfurt-on-Main, Paris and London, four concentrators in Brussels, Amsterdam, Copenhagen and Dublin and local access facilities in Luxembourg, where the Commission's computer centre is situated. This centre will be connected to the network, thus making its own data bases available and being able to consult the other data bases in the network.

As soon as it enters into service, EURONET will give access, with response times of 3 seconds and "reasonable charges," to more than 20 data files containing physical, chemical, aerospace energy, nuclear and metallurgical data and also medical, agricultural, economic, statistical and legal information.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*



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LABOUR NEWS

CEGB will not reinstate Ferrybridge workers

BY CHRISTIAN TYLER, LABOUR STAFF

FERRYBRIDGE power station workers sacked by the Central Electricity Generating Board for not joining one of the manual unions in a closed shop have been told they will not get their jobs back despite an industrial tribunal ruling that they were unfairly dismissed.

News of the CEGB's decision came yesterday, although the men and their solicitors are still awaiting official notice of it.

The men are now "seriously considering" appealing against the decision, and will take counsel's advice next week.

Although the industrial tribunal said the six men had been unfairly dismissed, it virtually recommended that they should not be reinstated, calling them "unyielding and irritant types."

The CEGB has also refused a request for a ballot of the workers at Ferrybridge "C" power station in Yorkshire to test the shop stewards' claim that there would be industrial action if they were taken back.

Mr. Bill Sarvant, leader of the six and general secretary of the unrecognised Electricity Supply Union to which they belong, admitted yesterday that he was not surprised by the decision.

"It is most unfortunate they will not allow a ballot. I would have abided by its result —I don't want to work in any power station where I'm not wanted," he said.

He added that he would almost certainly appeal, and hoped to get legal aid to do so.

Mr. Paul Nicholson, general secretary of the Confederation of Employee Organisations, a body representing non-TUC unions, also condemned the CEGB's refusal to hold a ballot.

He said: "The employers at the tribunal gave the impression that the lights would go out all over the country if these men were reinstated.

"But they gave no evidence that this would in fact happen. They have put the shop stewards at Ferrybridge into the position of threatening industrial action to prove the employer right."

The news, though not unexpected, is a further setback for the ESU, although the union claims to be recruiting more members as a result of the case. It also puts in doubt Mr. Sarvent's future as general secretary. Yesterday he said he would be holding on to the post until a final decision had been made.

One of the men, Mr. Bob Holliday, has since found another job, and is instead seeking compensation from the CEGB. All the men will be entitled to compensation if their appeal fails, and possibly greater compensation if it succeeds and the Board still refuses—as is likely—to have them back.

Meanwhile the CEGB, the Electricity Council and the four recognised unions are moving to tighten the operation of the industry's closed shop agreement following the tribunal's criticism that it was not impartially applied and there was discrimination against ESU members in particular. It was because of this that the tribunal upheld the men's claim that they were unfairly dismissed.

The CEGB said that it felt reinstatement was "quite impractical," and that this view had been borne out by the tribunal.

● The Ferrybridge case has encouraged a Vauxhall Motors worker, Mr. Tom Clarke, in his intention to claim wrongful dismissal. Mr. Clarke is one of three carworkers sacked for refusing to join one of the unions in the company's closed shop agreement signed last October. He is now consulting solicitors on the implications of the Ferrybridge judgment.

Kent 14 defy return

BY OUR LABOUR STAFF

KENT 14 General and Municipal Workers' Union members involved in the safety dispute at the partly-constructed power station on the Isle of Grain, Kent, are continuing their strike in spite of a return to work by the other 2,100 workers at the site.

The strikers decided at a meeting with union national officials yesterday to seek further talks with the contractors—Cape Insulation, Darlington, Newall—under the auspices of the Advisory Conciliation and Arbitration Service.

They are claiming protective clothing when handling new fibre-glass material for the £300m. oil-fired power station due to come on stream before the end of the decade.

At an earlier meeting at ACAS the contractors offered to reinstate those dismissed and accept independent arbitration on the issue of free overalls and payment while the men were on strike.

The workers rejected this offer, claiming that the contractors had previously agreed to provide free overalls and therefore making arbitration unnecessary.

Oxford strike made official

A STRIKE by 50 members of the Transport and General Workers' Union for recognition of the union at Blackwell's, the Oxford booksellers, has been made official.

The strikers, now out for more than three weeks, also want the reinstatement of a member they claim was sacked. The company contends that the man, Mr. Ted Heslin, a department manager, resigned.

Informal peace moves by the independent Advisory Conciliation and Arbitration Service began a week ago and tripartite talks will continue.

Most of the company's 800 employees have signed a statement saying that they do not support the strike.

New talks in 17-week BOC dispute

By Our Labour Staff

SHOP STEWARDS from a Swindon subsidiary of the British Oxygen Company are meeting to-day to discuss a new management offer intended to resolve the 17-week-old dispute. The 350 engineering workers at artificial limb-joint manufacturers Delorro Stellite are on strike over the dismissal of a shop steward.

The Amalgamated Union of Engineering Workers, the major union involved at the factory, claims that the company broke procedures in ending a flexible-hours working agreement without consultation.

Following a meeting between union and management officials under the auspices of the Advisory, Conciliation and Arbitration Service, the company had offered to return to the "status quo" until the dismissed shop steward's case was considered by an industrial tribunal.

The company also increased its separate offer on terms and conditions for voluntary redundancies and ending shift-work.

REACTIONS TO HEALEY'S PUBLIC SECTOR CUTS

Unions are angry, fearful and doubtful

By Our Labour Staff

TRADE UNIONS in the public sector reacted with predictable anger and apprehension last night to the cuts envisaged in the White Paper.

Those whose loyalty to the pay bargain with the Government is already strained indicated that their allegiance was even more in doubt. Some warned that they might take protest action against sackings.

The biggest white-collar union, the National and Local Government Officers Association, said the cuts meant it would be impossible to maintain services to the community.

Mr. Geoffrey Drain, general secretary, said the brunt would be borne by the "most vulnerable in our society." The cuts would "make all who care for the future of our welfare state despair." The union would not stand aside and watch this "dismantling."

The Confederation of Health Service Employees said there was some relief "in the programme, which would "obviate a serious reduction in existing services."

Pegging of rail investment "underlines our worst misgivings," said the National Union of Railwaymen, which with the other two rail unions is campaigning against services cuts and fares increases.

Some of the most hostile comments came from Civil Service unions, who expect massive redundancies as a result of the Government's intention to reduce Civil Service spending by £140m. in real terms in 1978-79.

The Civil and Public Services Association, the largest Civil Service union, which represents clerical officers, said: "We cannot rule out protest action" in defence of members' jobs and in the standard of services.

Cuts in education, housing and health could only "harm the country," the CPSA added. It did not accept "the basis of the economic analysis and strategy on which the White Paper is based."

The Civil Service Union, which represents the lowest-paid civil servants, said any cuts must be made across all grades. Attempts to concentrate them at the lower end of the scale would be resisted.

The National Union of Students said: "The Government have consciously created a spiral of educational deprivation for the vast majority in our society. The White Paper represents a planned destruction of the education system over the next five years and a painstaking dismantling of all the educational investment of the past."

Healey proposals 'too late and too small'—CBI

CUTS OUTLINED in the Public Expenditure White Paper are "too late and too small," according to the Confederation of British Industry.

The CBI said last night that there was no reason why public spending could not be cut substantially in 1976-77.

"The White Paper shows that public expenditure will continue to take far too large a share of our national wealth, leaving too little for private spending and for industry to expand and create new jobs," the CBI said.

"All in all, we believe that the Government's plans, although a step in the right direction, are quite inadequate and based on far too optimistic assumptions."

The Left-wing Tribune Group of Labour MPs denounced the White Paper as a "document of shame."

The White Paper was "the hand-maiden of the City, the CBI and other enemies of Labour in the British establishment."

Resisted

The Tribune MPs said: "It will be resisted by the trade union and labour movement, and we in Parliament will combine to fight against the implementation of these cuts by every means open to us."

Some MPs said that they would abstain in divisions when the legislation implementing the White Paper went through Parliament.

A demand for an emergency Labour Party conference on unemployment and the economy will be made at next Wednesday's meeting of the national executive of the party.

This surprise move—which could succeed because the Left have a majority on the executive—is to warn the Government that it should pursue socialist policies "or face possibly ruin."

A motion to the executive was submitted yesterday by Miss Jean Maynard, MP for Sheffield Brightside.

Dr. Derek Stevenson, secretary of the British Medical Association, said that the "drastic curtailment" of hospital building was bound to have a serious effect on the whole National Health Service and on staff morale.

He said that it was "even more inexplicable" that the Government should press on with plans to phase out private hospital facilities, which will mean a loss of at least £30m. a year in revenue to the NHS.

"Hospital workers who lose their jobs may well question why the Government should voluntarily give up this valuable additional revenue," he said.

The British Road Federation said that road building cuts, such as those proposed, would hamper economic and industrial growth.

"Nobody questions the need for a reduction in public spending but this is the sixth recent cut in the road programme," it said.

"The promise of a balanced transport policy is just a hollow mockery."

The Royal Automobile Club said that, on top of increased petrol costs and car maintenance, this was "yet another spoke in the wheel towards bringing Britain to a standstill.

"These proposals would mean even more expense for the motorist — higher maintenance costs through poor road surfaces, more petrol consumed in traffic jams and searching for parking spaces, and extra time taken for journeys."

The Automobile Association said: "Long term investment in roads is essential for the future development of Britain as a strong trading force. Roads are of even greater importance now because of indications of commercial revival."

The Society of Motor Manufacturers and Traders said that the cuts were directly contrary to the recent Government commitment for priority to industrial investment.

"The penalties of not investing in roads are vast. Congestion leads to waste of manpower and of important capital and energy resources."

Decline

The Association of District Councils predicted a "steady decline in the standards of many public services in the next four years."

Lower levels of spending would result in increased council house rents, higher bus fares for less frequent services, less frequent garbage services and higher car parking charges.

Some councils would be unable to contain their expenditure within the limits implied by the White Paper.

The Association of Metropolitan Authorities said that the general shape of the programme for local government current expenditure was an overall standstill.

"But within that, there are very considerable variations and quite severe cuts are indicated in roads and transportation expenditure.

"The association is gravely concerned at the proposal for cutting further the support for urban bus services."

PUBLIC EXPENDITURE WHITE PAPER

Treasury warns of bigger tax burden: outlook bleak for consumer spending

FINANCIAL TIMES REPORTER

The biggest public expenditure cutting exercise for many years has ended with the Treasury's warning that the burden of taxation will still have to be increased over the next few years, and that between now and 1980 the scope for increases in consumer spending is very limited indeed.

According to the White Paper, Mr. Healey, the Chancellor of the Exchequer, has achieved cuts in public spending programmes amounting to an annual rate of nearly £2.4bn. by 1978-79.

Casting a shadow over this effort, however, is the confirmation that spending programmes for the current and 1976-77 financial years were being revised upwards during the course of the recent review, by £1.6bn. and £500m. respectively.

On top of this, it is learnt that, by the same 1978-79 target year, the burden of debt interest on the Exchequer is now forecast to be £3.3bn. more than was estimated in the 1975 White Paper.

The public expenditure policy unveiled yesterday is essentially one of "stabilising" the level of resources taken by the public sector after 1976-77, so that the demands of industrial investment and the balance of payments can be met.

On the whole, the promised "cuts" can be taken as reductions in the planned levels of expenditure — trimming the growth that would otherwise have taken place — rather than as savage decreases in the levels of public expenditure now ruling.

Education

The biggest sufferers, in terms of what was until recently planned for 1978-79, are: education (down £620m.); roads and transport (down £500m.); and housing (down £365m.).

Spending on "other environmental services" (a category which includes local authority spending on anything from sewerage to cemetaries) is projected for a £220m. cut by 1978-1979, and health and social services for a £150m. reduction.

Other major reductions include nationalised industries' capital expenditure (down £324m., mainly because of revised demand forecasts as subsidies are phased out) and agriculture, fisheries and forestry—down £205m. with food subsidies being phased out much faster than originally envisaged.

Such concessions as have been possible to Labour's sacred cows lie in the stress put in the White Paper on the Government's refusal to cut the house building programme—as opposed to housing subsidies, which account for more than four-fifths of the planned housing cuts.

Defence, over which Mr. Roy Mason, the Defence Secretary, and his chiefs of staff have fought strongly, is limited to reductions of £190m. by 1978-79.

In keeping with the "new industrial strategy" of according high priority to manufacturing industry, there are no reductions in the planned level of central government support. Indeed, the level of expenditure on "trade, industry and employment" is now planned to be nearly £500m. higher in 1978-79 than was indicated in last year's White Paper.

Trimming

The trimming exercise starts from a calculation of public spending in the current financial year (1975-76) of £51.2bn. in volume terms, (1975 survey prices) comprising £46.4bn. "total programmes," £5bn. debt interest and an offset of £200m. for "shortfall."

The debt interest component is £450m. more than forecast a year ago, and is almost shrugged aside in the White Paper as the inevitable consequence of events.

Most of the emphasis is put on the "total programmes" figure, and it is not without interest that the recent commitment to the International Monetary Fund to stabilise spending from 1976-77 onwards was specifically given in relation to expenditure "now planned" and *excluding* debt interest.

The total programmes figure "now planned" for the current financial year is £1.6bn. more than forecast in last year's White Paper, and yesterday was the first occasion on which £1bn. of this excess expenditure was officially acknowledged by the Government.

Although the White Paper does not give specific figures on this point, it is estimated in Whitehall that between a third and a half of the excess £1.6bn. is directly attributable to the effects of the recession—some £310m. extra in unemployment benefit; about £280m. as the extra cost of financing nationalised industries' stocks; and £50m. for employment creation measures. Much of the rest was accounted for by the various measures to help, bail out or intervene in industry.

Budget

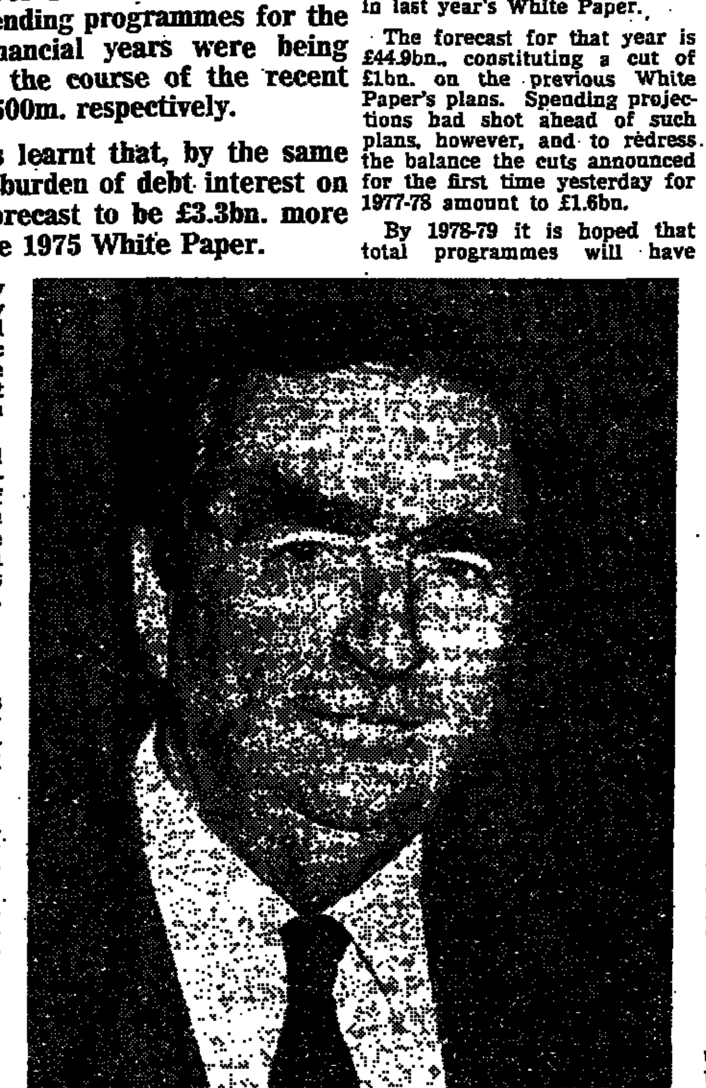
For the coming 1976-77 financial year—the immediate background to the Budget—the Government's "total programmes" figure is put at £45.8bn.—more than £500m. less than the level now expected *this* financial year, but nearly £500m. more than projected a year ago.

Indeed, increases of £450m. in public spending plans for 1976-77 are announced for the first time in this White Paper, the net effect of a number of rises (principally £445m. reflecting social security payments because of the recession), against which are set the early effects of the planned cuts, notably £156m. for housing in 1976-77.

It will, according to the White Paper, be 1977-78 before public expenditure programmes (excluding debt interest, and the contingency reserve) are running below the levels projected in last year's White Paper.

The forecast for that year is £44.9bn., constituting a cut of £1bn. on the previous White Paper's plans. Spending projections had shot ahead of such plans, however, and to redress the balance the cuts announced for the first time yesterday for 1977-78 amount to £1.6bn.

By 1978-79 it is hoped that total programmes will have fallen a further £2.4bn. from last year's projections, to £44.4bn. The cuts announced yesterday to achieve this reduction amount to nearly £3bn., but are offset to some extent by the already announced increases in industrial support to British Leyland, Chrysler and through the work of the National Enterprise Board.



Terry Kirk

MR. DENIS HEALEY, architect of the White Paper, leaves No. 11, Downing Street, to present to the Commons his proposals to fight unemployment.

Medium term

The whole public expenditure exercise is presented in the context of the Treasury's important medium-term look at the economy over the rest of the decade.

This takes possible growth rates of Gross Domestic Product. It leads by a process of deduction to what is left for the consumer, after what are regarded as the prior claims of the balance of payments, private and nationalised industries' investment, and public spending, as adjusted by the public expenditure exercise.

These projections are illustrated in one of the accompanying tables; their main message being that, on *any* of the assumptions taken, the amount left over for the growth of consumption is extremely limited. This is so, even when allowance is made for the fact that low or negative growth rates recorded in the earlier part of the period mean that GDP growth in the latter part—from 1977 onwards—*could* be at 4 per cent. per annum.

The implication—if it is taken that savings ratios do not remain historically high indefinitely—is that the tax burden must increase, although by less than if the public expenditure pruning exercise had not taken place at all.

In effect, however, the tax burden is going up all the time, because of the way inflation moves people into higher and higher marginal tax brackets, and lowers the value of personal allowances.

Concessions

What the White Paper does not spell out is the degree to which inflation does the tax burden job for the Chancellor—so much so that some tax "concessions" are still possible when the Government restores part, but only part, of the extra taxes people find themselves paying.

The process by which the restoration of the real value of tax allowances would take place is known as "revalorisation." The central message of this White Paper is that the scope for "revalorisation" is limited by the Government's desire to let most of the natural increase in the personal tax burden take its course.

Introducing its plans, the Treasury says:

"In managing public expenditure two problems stand out. The first has been with us for many years. Popular expectations for improved public services and welfare programmes have not been matched by the growth in output—or by willingness to forgo improvements in private living standards in favour of those programmes. The oil crisis intensified this gap between expectations and available resources. The second problem is that of cost inflation, which has become acute in the last few years, and has added an extra dimension of difficulty."

Expenditure

The White Paper goes on to underline the stark fact that in the past three years "public expenditure has grown by nearly 20 per cent. in volume, while output has risen by less than 2 per cent. The ratio of public expenditure to gross domestic product has risen from 50 per cent. to 60 per cent. Fifteen years ago, it was 42 per cent.

"The tax burden has also greatly increased. In 1975-76 a married man on average earnings is paying about a quarter of his earnings in income tax, compared with a tenth in 1960-1961. At two-thirds average earnings, he is paying about a fifth compared with less than a twentieth."

It continues: "Tax thresholds have fallen sharply in relation to average earnings, and people are being drawn into tax at income levels which are below social security benefit levels. The increase in the tax burden has fallen heavily on low wage earners. Those earning less than the average contribute over a quarter of the income tax yield.

"This cannot be made good simply by increasing the burden at the top: if no taxpayer were left with more than £5,000 per annum after tax, this would increase the yield by only about 6 per cent."

"At a time of world recession," the White Paper states, "rising public expenditure without matching tax increases has helped to sustain employment. The tax burden in recent years would have been much larger if the Government had not accepted a high public sector deficit for this reason. But as recovery proceeds we must progressively reduce our public sector deficit.

"When world demand picks up, more resources—capital as well as manpower — will be needed for exports and investment. We must ensure that they are available for that purpose. Unless we are prepared to see rising taxation reduce take home pay, these resources can be made available only if we keep public expenditure at roughly the same level for several years.

"Changing the structural distribution of resources in this way is the only means of restoring and maintaining full employment."

North Sea

The White Paper stresses that the demand for further improvements in the public services ultimately depends on the industrial output and exports "to make those improvements possible." North Sea oil will make an important difference, but it will not be big enough by itself, nor developed fast enough, to solve the resource problem of the next few years.

"The plans in this White Paper are therefore intended broadly to stabilise the level of resources taken by expenditure programmes after 1976-77.

"If this is achieved public expenditure will fall as a proportion of national output from its present exceptionally high level. The tax burden will still increase, but by a manageable amount.

"Meanwhile, within total public expenditure, a higher priority is being given to expenditure which is designed to maintain or improve our industrial capability, and to give us a better chance of success as the economy picks up."

The White Paper makes concessions to the Treasury's outside critics, including the Parliamentary expenditure committee. It underlines the Government's commitment to introduce cash controls on some three-quarters of central government voted expenditure, but excluding areas, such as social security, where "for statutory or other reasons, the rate of spending cannot be determined by the Government in the short term."

Consultations are taking place with nationalised industries, and details of theirs and the other cash limits for 1976-77 will be published early in April.

But, while conceding that "public expenditure programmes cannot proceed regardless of the movements in their cash costs" (a statement which follows a number of years when the Treasury's critics maintain they did just that), the White Paper makes it clear that the Treasury intends to stick, with minor adaptations, to its existing methods of planning public expenditure.

Recession

1975-76 and 1976-77

The White Paper admits: "The programmes for the current financial year and for 1976-1977 are higher than in Cmnd 5879 (last year's White Paper) by about £1,600m. and £500m." (1975 survey prices). In both years the greater part of the increase is due, in one way or another, to help to industry and other expenditure related to the recession, it adds.

"In 1975-76, the main increases are in the field of industry and employment. They include extended measures of industrial support of various kinds, provision for the British National Oil Corporation (BNOC), more industrial training, and exceptionally heavy demands for financing nationalised industry coal and steel stocks at a time of recession.

"There have been higher payments of unemployment benefit and supplementary benefit. Payments to the food and agricultural industries have also been higher than forecast in Cmnd 5879: most of the increase has taken the form of subsidies on food imports, much of which is paid under the Common Agricultural Policy and offset by receipts from the Budget of the European Communities.

"The reductions imposed in the last Budget on planned expenditure in 1976-77, equivalent to about £1,100m. at 1975 survey prices, affected capital and current expenditure on a wide range of services. These reductions have been offset by the additional expenditure in that year announced in the White Paper The Attack on Inflation (Cmnd 6151); the cost of the employment measures announced in September; provision for BNOC, for the National Enterprise Board and for other industrial expenditure; and higher social security benefits (mainly on account of unemployment).

"Outside the ordinary public expenditure programmes, in both years the high borrowing requirements have greatly increased the burden of debt interest."

1977-78 to 1979-80

The White Paper says that, within the overall aim of stabilising public spending and freeing resources for investment and exports, priority is given to "expenditure for improving industrial productivity and efficiency, and hence to increase the rate of growth of resources."

Continuing

The programmes in Cmnd. 5879 provided for some continuing growth of expenditure during this period. In order to stabilise the level of spending, the total size of those programmes in that White Paper has been scaled down. As soon as a sound economic base can be achieved, some growth in spending should again be possible. But at least during the next three years or so, no overall growth in public expenditure (excluding debt interest) is planned beyond the level now envisaged for 1976-77. This means that in all programmes, including the social programmes, very strict tests of priority have had to be applied.

"Holding public expenditure and public service manpower broadly steady while output increases," the White Paper goes on, "will permit that shift of resources which it is the strategic aim to bring about. The level at which spending on the programmes is being stabilised is however, still over 10 per cent. higher than in 1973-74."

It continues: "The Government's industrial policies are intended to produce a faster long-term growth of output. These policies will be supported by substantially higher expenditure in the trade, industry and employment programme, which now includes provision for some expenditure which previously was a charge on the contingency reserve, including that of the National Enterprise Board and the Scottish and Welsh Development Agencies. "Including these items, this programme is now planned to be nearly £500m. higher in 1978-79 than the programme in Cmnd. 5879. Much of this expenditure will assist industrial investment; it is essential for the success of the Government's industrial policies that investment should soon recover from the recession and then continue at a higher level." But if investment, whether by private or public enterprise, is financed or supported by public funds, the Government will expect that the operations concerned should be efficient and competitive. This is a main objective of the Government's industrial policies including the expansion of industrial training."

Public Expenditure and Resources

The White Paper lists three possible rates of growth for the economy, and their implications.

The central case shows an average rate of growth of the gross domestic product (GDP) between 1974 and 1979 of just under 3½ per cent. per annum. The other two cases illustrate respectively a lower and a higher average growth of output over the period.

"The higher of these alternatives illustrates the possibility that GDP may rise faster as a result of the industrial measures already described. These measures should bring about a faster long-term growth of productive potential, thus eventually yielding more resources for both public and private consumption. They will, however, take time to have effect."

'Imprudent'

The Government does not appear to have much faith in the "higher" possibility, adding: "It would be imprudent" to count on an improvement to an average growth rate of 3¾ per cent. "until there is clear evidence that it is being achieved."

In another significant passage, a blunt warning is added: "But there are also greater risks on the downward side. The serious rate of inflation may have checked the growth of productive potential, and th will be made worse if is not decisively and pe ly reduced.

"Unless this is suc achieved, and the pre ance of payments defici reduced, the return to ployment will be impe the growth of avail sources over the peri be substantially lower.

"The lower growth c under 2½ per cent. per should therefore be reg purely illustrative and n sarily as a lower limit.'

And "if because of t priority which the Gov is giving to industrial ment, this were to gro than indicated, there w the short run be rat room for growth in the r available for other purp

Consumers

The Treasury hamme the implications for co in the following passage.

"On the assumptions the central case, the gr the resources available f public expenditure and consumption comes to an average rate of about cent. In the other two c corresponding rates are cent. and 1¾ per cent.

"After allowing for duced public expenditu grammes now set out White Paper, personal c tion (including that fina public transfer payme estimated to grow at an rate of 1½ per cent. in t tral case.

"'Privately-financed c tion'—that is consumpti for out of pay and pro not from public transf ments—is estimated to an average rate of about cent. In the central case, ½ per cent. and 2¼ per cen two other cases.

"In all three cases the of GDP exceeds that c vately-financed consu by a substantial margin implies that in order to ment the public expe programmes without dan exports and investment rise in the burden of tax likely to be required."

Revised

"The ratio of the total lic expenditure to GDP a cost has grown from 50 p in 1971-72 to about 60 pe in 1975-76.

"With the programmes revised, and with the assumption about the growth of GDP, it would about 53 per cent. in But this ratio compares t parate magnitudes—t payments are included total of public expenditu do not constitute part of G

"The ratio of public e ture on goods and servi GDP rose from less than cent. in 1971-72 to about cent. in 1975-76, and wou to about 28 per cent. in 1 The corresponding rati transfer payments rose fr per cent. to 26 per cent would fall to about 24 pe These transfer payments, helping to finance person sumption, do also add to t burden."

Public Expenditure to 1 SO, £1.80 [Cmnd. 6393].

PUBLIC EXPENDITURE IN VOLUME TERMS: 1970-71 to 1979-80
£m. at 1975 Survey prices

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
1. Defence	4,531	4,593	4,494	4,426	4,331	4,538	4,586	4,573	4,541
2. Overseas aid & other overseas services	598	646	788	825	798	734	882	953	1,027
3. Agriculture, fisheries and forestry	632	718	635	751	1,468	1,438	987	840	641
4. Trade, industry and employment:									
Investment grants	808	635	384	233	102	63	23	5	2
Other	1,080	1,234	1,755	2,538	2,763	2,618	2,249	2,085	2,121
5. Nationalised industries' capital expenditure	2,669	2,554	2,519	2,281	2,822	3,358	3,050	2,647	2,789
6. Roads and transport	1,790	1,727	1,848	1,964	2,181	2,316	2,193	2,032	1,860
7. Housing	2,827	2,492	2,555	3,330	4,429	4,018	4,097	4,064	4,014
8. Other environmental services	1,855	1,888	2,014	2,156	2,088	2,217	2,045	2,062	1,991
9. Law, order and protective services	1,093	1,175	1,189	1,260	1,339	1,444	1,470	1,482	1,439
10. Education and libraries, science and arts	5,073	5,434	5,799	6,081	6,104	6,164	6,234	6,141	6,024
11. Health, and personal social services	4,235	4,405	4,701	4,934	5,056	5,285	5,317	5,384	5,465
12. Social security	7,200	7,646	8,078	8,080	8,582	9,463	10,002	10,014	9,964
13. Other public services	520	560	757	587	628	682	686	686	675
14. Common services	545	582	599	606	606	713	678	697	716
15. Northern Ireland	767	802	896	1,015	1,200	1,321	1,336	1,306	1,263
Civil Service staff costs								—50	—140
Total programmes	36,223	37,091	39,011	41,067	44,497	46,372	45,835	44,901	44,392
Debt interest	4,142	4,031	4,048	4,764	4,757	5,000	6,200	7,000	7,500
Contingency reserve							700	900	1,200
Shortfall						—200	—250	—250	—250
Total	40,365	41,122	43,059	45,831	49,254	51,172	52,485	52,551	52,842

GROWTH AND USE OF RESOURCES 1974-1979
in demand terms at 1970 factor cost prices

	Year 1974 £m.	Average annual increase 1974-79: Case I £m.	Case I %	Case II £m.	Case II %	Cas[e III] £m.
A. SUPPLY OF RESOURCES						
1. Gross domestic product (GDP)	47,200	1,200	2.4	1,720	3.4	1,950
2. Net flow of resources into (+) or out of (—) balance of trade in goods and services	—200	500		560		600
3. Available for domestic use (line 1 minus line 2)	47,400	700	1.4	1,160	2.3	1,350
B. DOMESTIC USES OF RESOURCES						
1. Investment(1)						
a. Private investment	4,700	350	6.5	498	8.7	550
b. Nationalised industries' investment	1,300	50	4.0	50	4.0	50
2. Available for other public expenditure and private consumption (line A3 less lines B1a and B1b)	41,400	300	0.7	620	1.4	750
C. USES OF RESOURCES FOR OTHER PUBLIC EXPENDITURE AND PRIVATE CONSUMPTION						
1. Public expenditure(2)						
a. Public consumption	9,500	130	1.4	130	1.4	130
b. Other public investment	2,300	—70	—3.5	—70	—3.5	—70
c. Total direct public expenditure (a+b)	11,800	60	0.5	60	0.5	60
d. Indirect public expenditure (transfers, etc.)	6,700	130	1.8	130	1.8	130
e. Total public expenditure (c+d)	18,500	190	1.0	190	1.0	190
2. Personal consumption:						
a. Privately financed personal consumption (line B2 minus line C1e)	22,900	110	0.5	430	1.8	560
b. Publicly financed personal consumption (indirect public expenditure, line C1d)	6,700	130	1.8	130	1.8	130
c. Total personal consumption (C2a+C2b)	29,600	240	0.8	560	1.8	690

(1) Private and nationalised industry investment comprise fixed investment and stockbuilding. Private investment excludes inve housing, which is included in personal consumption.
(2) Excluding nationalised industry investment.

PUBLIC EXPENDITURE BY PROGRAMME IN COST TERMS: 1970-71 to 1979-80

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
At 1975-76 prices, including the relative price effect					£m.					
1. Defence	4,757	4,940	4,920	5,037	5,151	5,403	5,492	5,535	5,559	5,627
2. Overseas aid and other overseas services	655	675	794	876	873	772	928	1,004	1,083	1,147
3. Agriculture, fisheries and forestry	696	774	664	812	1,555	1,481	1,030	882	683	654
4. Trade, industry and employment	2,272	2,155	2,376	3,089	3,299	2,882	2,422	2,226	2,262	2,261
5. Nationalised industries' capital expenditure	3,016	2,883	2,805	2,587	3,212	3,749	3,437	2,968	3,084	3,191
6. Roads and transport	1,963	1,864	2,077	2,217	2,570	2,656	2,489	2,288	2,085	2,068
7. Housing	2,385	2,068	2,368	3,639	5,057	4,203	4,274	4,146	3,997	4,031
8. Other environmental services	1,693	1,709	1,861	2,228	2,302	2,388	2,195	2,205	2,128	2,130
9. Law, order and protective services	1,177	1,261	1,311	1,417	1,528	1,620	1,667	1,686	1,690	1,726
10. Education and libraries, science and arts	5,338	5,648	6,101	6,460	7,060	6,968	7,093	7,099	7,080	7,159
11. Health and personal social services	4,393	4,567	4,843	5,131	5,794	6,199	6,304	6,486	6,680	6,892
12. Social security	7,190	7,643	8,002	8,199	8,620	9,517	10,063	10,082	10,037	10,040
13. Other public services	607	663	831	688	736	801	815	829	831	853
14. Common services	576	619	638	624	651	781	735	751	805	812
15. Northern Ireland	971	1,025	1,085	1,159	1,383	1,487	1,500	1,463	1,418	1,417
Civil Service staff costs								—60	—170	—160
Total programmes	37,689	38,494	40,616	44,163	49,791	50,907	50,444	49,590	49,252	49,849
Debt interest	4,142	4,031	4,048	4,764	4,757	5,000	6,200	7,000	7,500	7,500
Contingency reserve	—	—	—	—	—	—	700	900	1,200	1,400
Shortfall	—	—	—	—	—	—200	—250	—250	—250	—250
Total in cost terms	41,831	42,525	44,664	48,927	54,548	55,707	57,094	57,240	57,702	58,499
Less: relative price effect	—2,300	—2,450	—2,300	—1,150	850	—	50	250	500	800
Total in volume terms at 1975-76 prices (rounded)	44,150	45,000	46,950	50,100	53,700	55,700	57,050	57,000	57,200	57,700

PUBLIC EXPENDITURE WHITE PAPER

LOCAL GOVERNMENT

Rewards to the spendthrift

E GOVERNMENT has a lot ng on the willingness of l authorities to fall in with campaign to contain the wth of public expenditure. ut one-third of the total is t by local government and, he White Paper makes clear, Government has chosen to on respecting the tradition reby the final decision on l spending is left to the ncils. True, Whitehall can e its influence effective on t capital expenditure, par-larly now that all local tal programmes other than housing are subject to cash ngs, but with local revenue nding Ministers have in the resort to rely on their ers of persuasion and the what blunderbuss influence he rate support grant.

e White Paper's main mes- will be no surprise to local orities but it will be no less greeable for that. The stand-on real term revenue spend- is now to last for four years not just one year, and tal spending—again in real s—is now to be scaled down ne third over the five years 979-80.

r is this all. Because of programme-by-programme basis on which Whitehall conducts its public spending battles, the White Paper goes a long way towards suggesting, if not indeed prescribing, the priorities which should govern local spending during the period of restraint. To a large extent it appears to preempt basic decisions on such crucially important local matters as rent and fares policies, the relative priority between, say, strengthening the police on the one hand and, on the other, improvements in education, personal social services, local transport, and sports, leisure and other local environmental services. Municipal house building programmes are to be preserved and sustained yet the communal facilities that help to determine the quality of life on new housing estates are to be cut back.

It is as if, having decided in principle to go on taking local government on trust, Ministers have had second thoughts about the degree of local discretion they should allow. Yesterday's White Paper will doubtless be followed up by a Ministerial circular spelling out the detailed implications for local services over the years ahead. But it will still be hard for the 521 individual authorities to translate this overall guidance into terms that are relevant to their own particular circumstances.

The local authority associations have been urging for some time that ways should be developed whereby they could be involved in the annual PESC reviews, arguing that the feedback in both directions could be mutually beneficial. The new series of consultative meetings between local authority leaders and Ministers has demonstrated the advantage of regular exposure at both political and official level: the recent sea-change in spending attitudes at local level can probably be attributed mainly to that particular innovation. But a somewhat different machinery would be needed for annual spending reviews and, though the point appears to have been taken by Ministers, nothing has yet been worked out.

The more immediate question, however is not whether local councils will accept Whitehall's views about priorities between services but whether they will go along with the overall standstill. One has to go back at least 30 years to find the last time when local real current spending remained on a plateau for four years. No doubt in order to stiffen its persuasive powers Whitehall will continue to abandon the old "trend extrapolation" basis of the rate support grant—whereby the coming year's grant was related to what actually happened in the current year rather than to what was intended to happen when the current year's grant was fixed. It may also persist with cash ceilings, though the new ceiling on the rate support grant has many loopholes and the lack of a cash ceiling on new housing programmes is perhaps the biggest loophole of all.

But at the end of the day it is still open to a local council to go its own way by asking the ratepayers for more, and no disincentive is built into the grant mechanism to deter it. Because of the way the "resources element" works, the free-spending council will be rewarded with a bigger grant and, because of the "claw-back mechanism," it will be the responsible councils that will suffer by having their share of the grant reduced.

Colin Jones

FOOD AND AGRICULTURE

More blows for the consumer

CONSUMERS WILL have to bear the main brunt of Government economies in the food and farming sector through increased food prices. The biggest savings earmarked are on consumer food subsidies, which totalled £651m. last year and will be an estimated £576m. in the current financial year. These are to be cut to only £50m. in 1979-80, with reductions of £200m., £125m., £175m. and £25m. respectively in each of the next four years.

In addition, however, consumers face other food price increases as U.K. levels are brought fully up to those in the rest of the EEC by the transitional period rises in farm prices between now and early 1978. On top of this will come any further rise due to inflationary pressures and possible market supply and demand factors.

The food subsidy cuts are not unexpected. The Government has stated on several occasions that it would first contain and then reduce the food subsidy bill, but its efforts are bound to meet strong resistance from unions and consumer groups during a period of wage restraint which has coincided with record increases in the prices of many foods.

How much individual families will suffer from the subsidy cuts is difficult to assess, but some idea is given in yesterday's White Paper. According to calculations based on purchases recorded by the National Food Survey, the subsidies gave an average couple with two children savings of some 71p a week last year, while a pensioner couple would have saved 45p a week.

One avenue being explored vigorously by the Government in an attempt to lessen the effects of the subsidies cutback is the extent to which the EEC as a whole may continue, and if possible extend, payments to the U.K. which effectively subsidise consumer prices.

This year, for instance, the Community will contribute £19m. of the £106.7m. cost of the butter subsidy. It also helped to finance the pensioners' beef vouchers scheme in the winter of 1974-75, and is currently providing nearly half of the £94m. cost of the U.K.'s unique beef cattle support system.

In the past, the EEC has acknowledged Britain's help in disposing of the surplus butter "mountain" by simply eating it away under the stimulus of subsidised prices. It has also, reluctantly acknowledged that the U.K.'s beef support system has helped to stabilise the beef market in Britain without the necessity of building up a frozen beef "mountain."

Mr. Fred Peart, the Minister of Agriculture, is currently engaged in persuading his EEC colleagues to allow the U.K. to continue its beef support system. There is every indication that he will be successful, and he might even persuade them to give the method a trial on a Community basis. He would certainly like the Community as a whole to tackle its growing dairy surpluses problem by extending subsidies to shield U.K. consumers from the steep prices increases on butter and cheese otherwise inevitable over the next two or three years.

One of the biggest contributions the EEC has made to Britain's food costs has been in payments to the U.K. to make up for differences in price levels between the U.K. and the rest of the Community and for currency movements.

For farmers, the Government's plans for expenditure under the heading of agriculture will appear dismal reading at first sight. The total for agriculture and food is to be cut from £1.36bn. in 1975-76 to only £538m. in 1979-80. However, £525m. of this £827m. reduction stems from the savings on consumer subsidies; another £125m. can be accounted for by the exceptional payments needed this year to implement guarantees to buyers of imported cane sugar; and a great part of the remaining difference is due to the large payments by the U.K. Government (but met ultimately by the EEC) to compensate for currency fluctuations, which should not recur.

Broadly, there appears to be no general cutback in expenditure on agriculture itself. One or two items have been trimmed, but some changes are due to the switch from the U.K.'s present support systems to those of the Common Agricultural Policy. It remains clear, however, that the Government expects farmers and growers to look to the higher market prices that can be expected over the next few years as the main incentive to fuel the expansion of U.K. agriculture that it called for in its White Paper, *Food From Our Own Resources*, last year.

This envisaged agricultural production continuing to expand by about 2½ per cent. a year, mainly through higher output of milk, beef, sugar beet, cereals and sheep meat. As a first step towards these targets, the Government is expected to raise the guaranteed price for sheep and wool by about 20 to 23 per cent. and for potatoes by more than 40 per cent. during the next few weeks. These are the only products over which it still retains control, all the others coming under the CAP.

The Government appears to have no intention of cutting the money spent on agricultural research and development, and it has sufficient contingency reserves to cover any special assistance to agriculture. Present plans to increase the potatoes, wool and sheep guarantees are, for instance, not included in yesterday's White Paper which is based on current levels of farm support. Increases in production subsidies and grants will also have to come from the contingency reserve.

Almost in anticipation of any criticism farmers might voice about the lack of Government financial backing for expanding agriculture Dr. Keith Dexter, director general of the Ministry of Agriculture's Development and Advisory Service, earlier this week pointed to the many competing demands on the Government for additional public expenditure. "We are, after all, in the middle of the worst economic recession since the 1930's. . . . The agricultural industry cannot opt out of the economic blizzard which is affecting the whole country," he said.

Peter Bullen

EDUCATION AND SCIENCE

An end to great expectations

White Paper's year-by-year ections for future educational ding are not so bad as some t have feared. True, various ers unions swiftly—and ictably—denounced the new y as unjustly punishing the n's young. It is true also after an overall increase of er cent. in 1976, the British et for education, libraries, and certain science activities eduled to decline. By comon with the current year (at 5 prices"), the 1977-78 plan s a fall of 0.4 per cent., and 1978-79 projection a fall of er cent. As a result, the educational budget's share British public expenditure be cut from about 12 to 11.4 ent.

EDUCATION: HOW THE CUTS HAVE BEEN SHARED

(Capital and current spending combined, except where otherwise stated)

Head of expenditure	% of 3-yr. gross cut
Nursery education	3.2
Compulsory schooling (capital only)	18.2
School meals	4.5
School milk	0.2
Higher and further education (capital)	23.5
Higher and further education (current)	33.1
Libraries, miscellaneous services, etc.	6.2
VAT paid by local authorities	4.4
Science research councils, etc.	6.3
Arts	0.4
	100.0

reductions, however, will ide with the beginning of op in the "clientele" for ry and other schools, and ibly with a continued r-than-expected growth in nd by teenagers for higher further education. Because is, savings have been conated on capital expenditure. ocal authorities follow cen-government's wishes, the of schoolteachers to pupils be kept at its "best-ever" of 1 : 20 : 1.

further and higher education, the 1981 target for numbers of full-time students has dropped from 640,000 to 600,000. But this still means growth in the student body, now estimated at 510,000.

Teachers in universities, polytechnics and colleges will be expected to cope with the larger student body without any corresponding increase in staff.

Of other economies, the most noticeable lies in school meals. The "economic" unit cost is at present 41p to 42p, and the charge 15p. Next September the charge will rise to 20p, covering half the notional unit cost.

Even so, in terms of the education system's "expectations" (as created by the previous Public Expenditure White Paper), the newly revised projections seem far more severe.

Adjusted to 1975 prices, the previous White Paper suggested a total of £19.43bn. educational expenditure over the three years 1976-79. The new White Paper has reduced this total by just over 5.3 per cent. to £18.4bn.—a cut of £1.03bn.

Moreover, this cut seems to be a net figure. Detailed calculations suggest that recurrent spending on schools is now projected at a three-year total, nearly £348m. more than the "expectations" held out by last year's White Paper. This in turn suggests that the gross "cutback from expectations" to be borne by other heads of expenditure is no less than £1.38bn.

The gloomy message for the research councils is a zero growth rate for the next five years. The 1975-76 allocation from the Department of Education and Science, covering the five research councils, the Natural History Museum and the Royal Society, amounts to £170.9m. In addition the research councils will receive about £35m. in the current year from other Government departments for research projects transferred under the Rothschild customer-contractor relationship.

Following a 2 per cent. growth for 1976-77, held constant for 1977-78, the allocation is expected to return to £171m. for the remaining two years of the decade.

Michael Dixon and David Fishlock

TRANSPORT

A battle that is far from over

MINISTERS had made it oo clear just how low road ail transport now rated in public spending priorities, harp reductions on pre-y planned levels of expen- which were revealed by day's White Paper should come as no surprise to e. In all, transport spend- being called upon to con-e almost a fifth of the £3bn. gs" the Government has d for 1978-79. Instead of g by a modest 1½ per cent. en now and then, as was ged a year ago, the volume ending on road and rail ort will now fall by 17½ nt.

while the Government can hat its priorities are as n the major public spend-rogrammes, it has rather ower to lay down exactly should happen within the ort sector. The figures set the White Paper may well some marginal revision he present review of trans-olicy has been completed. e biggest element of un-ity comes from the local ity contribution to trans-pending.

ROAD & RAIL TRANSPORT

Public Expenditure at 1975 Survey prices (£m.)

	1970-71	1975-76	1979-80
CAPITAL			
Roads	901	790	644
Brit. Rail	178	242	266
Local tspt.	94	139	112
	1,173	1,171	1,022
CURRENT			
Road maint.	389	444	371
Subsidies	177	552	401
Admin.	107	149	122
	673	1,145	894
TOTAL	1,846	2,316	1,916
Local Auth. share	965	1,238	962

The priorities the Government is suggesting may seem sensible enough. It wants local road-building and maintenance programmes to be scaled back further still, less money to go on new car parks and much higher parking charges brought in so as to phase out all rates fund subsidies. In the case of local public transport, the White Paper warns that, as there will be barely any room for new major infrastructure schemes, efforts should be concentrated on securing the best use of existing systems. But the White Paper's main target is revenue subsidies. These have increased seven-fold in the last three years.

However, neither of these ideas nor the 22½ per cent. overall cut in real terms in local transport spending by 1978-79 has yet been discussed with local authorities and, as recent experience has shown only too clearly, not only do some major councils have a very firm view of local transport priorities—especially on the matter of low fares policies—but they are also quite prepared to dig their heels in regardless of what Ministers say.

Outside the local authority sector Ministers are in a far stronger position to make their influence felt. The motorway and trunk road programme, which is under their direct control, used to be a growth programme but earlier spending cuts saw to that. As a result of the latest PESC review, spending will now start declining and the old target of completing 3,500 miles of strategic routes in England by the early 1980s, primarily for lorry traffic, has been turned into one of 3,100 miles by the mid-1980s.

By comparison, British Rail has been treated relatively gently. Its investment programme, which had been rising sharply over some years, is now to be held broadly level as will, too, the total amount of revenue support subject only to a phasing out of the freight deficit (and the accompanying deficit grants) by 1978 when, it is hoped, coal and steel traffic will have recovered.

The pro-rail lobby will of course object strongly to even this check but the roads lobby has even more to be displeased about. All in all, the Government's choice of where to cut back in transport smacks more of a political compromise than a careful assessment of economic need. But that, perhaps, is as much as one can probably expect before the forthcoming "consultation paper" on transport policy. The White Paper may have set a ceiling on transport spending but the battle to decide where the money should go is still far from over.

Colin Jones

DEFENCE

civilian shake-out

EEN 7,500 and 10,000 n jobs in the Defence ment are to go as a result public expenditure cuts he period to 1979-80, but ont-line equipment pro-es will be affected.

cuts amount to a total of — £177m. in 1977-78, in 1978-79 and £164m. in . These are on top of the cut for 1976-77 already nced, so that over the next ears a total of £670m. is lopped off the defence mme.

in turn is additional to 4.7bn. cuts in overall spending between now 983-84 already announced sult of the Defence Review ted last year, which also some 30,000 civilian jobs e defence establishment at home and 15,000 over-

sing that the cuts now to de will be in the "tail" armed forces, the Defence ment said yesterday that would fall on the admini-e and support operations, h a wide range of other ns would be affected.

ldition to the loss of up to direct Defence Department ome 3,000 jobs are to go defence manufacturing elated industries. And reductions will be addi-to the 30,000 civilian jobs due to disappear as a of the Defence Review.

Many of the details will be given in the forthcoming annual Defence White Paper, due to be published around mid-March. But already it is possible for the Department to say that, broadly, the distribution of the job losses will be between 3,000 and 3,500 in the Procurement Executive (responsible for buying all the armed forces equipment), about 2,000 in Army support, about 1,500 in naval support, about 1,500 in RAF support, and about 1,500 in headquarters staffs.

Even with these cuts, however, the Defence establishment will still be very large. The current Defence White Paper shows that the total civilian support for the armed forces amounts to 337,000, of which 295,000 are directly on Defence Department payrolls, with another 23,000 Department of Environment staff working on defence and 19,000 in Royal Ordnance factories. Between them, they account for a total of £830.3m. a year in pay and allowances.

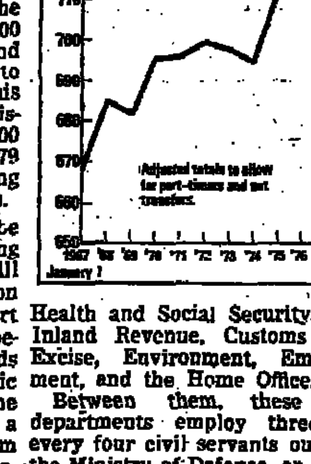
The cuts will thus represent less than 3 per cent. of the present defence civilian manpower establishment. In terms of cash, however, the cuts will amount to about 20 per cent. of the payroll of the civilian defence establishment—which appears to indicate that many of the jobs now to go will be among the higher paid ranks, rather than among the lower-paid industrial workers.

Michael Donne

THE CIVIL SERVICE

Sharpening the axe

ONE ISSUE which was not resolved in time for its implications to be spelled out in the White Paper is the savings the Government is hoping to make in civil service manpower. The overall target has been set. It is to reduce the number of civil servants by 1978 to something like last summer's figure. As the total then was about 725,000 against almost 760,000 now, and as the numbers are expected to go on rising for a while yet, this will eventually mean the disappearance of upwards of 35,000 jobs to yield savings in 1978-79 estimated at £140m. including associated administrative costs.



How this target is to be achieved, however, is something over which Ministers are still fighting. The one firm decision so far is that the defence support services should contribute between 7,500 and 10,000 towards the eventual total. Economic recovery may also be of some assistance if it should lead to a revival in natural wastage from the civil service and if it, too, reduces the manpower commitment to contra-cyclical transfer payments.

But, as Ministers were reminded by a special investigatory team last year, significant reductions in non-defence manpower will be impossible without major changes either in administrative practices or in policy—or in both. And that, inexorably, points the finger at the main labour-intensive departments: Health and Social Security, the Inland Revenue, Customs and Excise, Environment, Employment, and the Home Office.

Between them, these six departments employ three in every four civil servants outside the Ministry of Defence, or some 350,000 in all, and they account for no less than 90 per cent. of the 9 per cent. growth in the size of the civil service since March, 1974. Major reductions in manpower will inevitably involve politically sensitive decisions on such matters as the quality of the social security services and tax thresholds, for example.

Colin Jones

FINANCIAL TIMES REPORT
Friday, February 20, 1976

CONCRETE

Apart from housebuilding, there is little to relieve the gloom over the concrete industry. The length of the recession is giving cement manufacturers a hard time, although their profits have been good despite low volumes of throughput.

A rough trading period

By Michael Cassell

NO AMOUNT of wishful thinking can detract from the concrete sector's underlying knowledge that the difficult trading conditions experienced in the past two years seem bound to continue through 1976 and possibly even beyond.

Along with just about every other sector tied up in the fortunes of the construction industry, the cement manufacturers, ready mixed suppliers, pre-cast specialists and aggregate producers have all been searching in vain for the bright horizon ahead. Instead, they have been met with a barrage of pessimistic forecasts and predictions and lists of depressing figures about the current level of building work now going on.

The concrete industry is not unused to seeing such major fluctuations in demand for its products, with the construction industry still regularly used as the easiest and most effective economic regulator by successive governments. But what has hurt this time is not just the depth of the current slump but the period over which it has persisted.

Problems really began in 1974 when overall construction output in the U.K. dropped by 10 per cent. within twelve months. As though that was not enough, the level of building activity last year took another 6 per cent. fall and a further reduction, though only of about 2 or 3 per cent., is anticipated during 1976. The consensus now is that the fall in output next year will be very small, implying that the trough of the current and prolonged recession will in fact occur during the next twelve months.

It is only in housebuilding that any relief from the general gloom has arisen and in those areas of building activity where concrete components predominate, workloads have been particularly low. Industrial and commercial output have provided the bleakest outlook and further substantial declines in new work are anticipated.

In the commercial building sector, a dramatic downturn of 18 per cent. last year is expected to be followed by another fall of about 15 per cent. in 1976, followed by a 10 per cent. drop in the following twelve months. As far as industrial building work is concerned, last year's 10 per cent. drop is thought likely to be repeated during the current year.

The outlook is not, for the moment at least, any more encouraging in a field which can provide a massive market for concrete suppliers, the construction of North Sea oil platforms. Although the Government is backing two new yards designed specifically to produce concrete platforms, the future remains most uncertain, with some yards particularly worried about short-term prospects.

It is expected that contracts for some new platforms will in fact be announced this year but it seems unlikely that the total will be as high as in 1974 and 1975. Output of all types of platforms last year was valued at around £75m. and this year the figure is likely to be in the region of £50m., though just one or two orders could change the value of work undertaken quite significantly.

The beginning of this month saw the floating out from dry-dock of Cormorant A, the largest concrete gravity platform yet to emerge from any yard in the world. The platform, built at Ardyne Point, is for the Shell/Esso group and will be towed out to sea during 1977.

At Loch Kishorn, another platform—probably using more concrete than any other civil engineering project now going on anywhere in the world — is under construction. Destined for Chevron's Ninian Field, the platform is scheduled to leave dry dock for its deep water site in May and will go on station in the summer of next year. The fabrication of the foundation raft and steel skirt required a continuous night and day pouring of 2,500 cubic metres of very high grade concrete, which also is claimed as a world record.

But as important as North Sea-related activities are to the entire construction industry, as well as the concrete suppliers, it is the general level of business elsewhere which currently gives cause for concern to the concrete industry. It is no exaggeration to say that, faced with an all-round reduction in demand, companies associated with the concrete business have spent 1975 battening down the hatches and slashing overheads in an attempt to maximise the return from the level of business which is actually available.

In the ready mixed market, suppliers have been experiencing a continuing and relatively sharp decline in demand with no reflationary benefits yet apparent. Despite the Chancellor's recent measures aimed at reducing unemployment, which is now of crisis proportions in the construction industry, there is nothing to suggest an improvement in ordering levels and the prospects for public works in particular remain poor.

But while the ready mixed manufacturers have been laying off workers and slimming down transport fleets, a key trend has been the apparent lack of any price war in building materials, at least not of any significance. The top half dozen companies control roughly three-quarters of the ready mixed market and they have shown no signs of wishing to pressure competitors in this way.

Closures

As for the cement manufacturers themselves, 1975 was understandably a bad year and no revival is anticipated during the current 12 months. The industry as a whole is now thought to be running at something approaching 80 per cent. of capacity, with many production units shut down. There have been some major plant closures, involving hundreds of redundancies and but for the manufacturers' ability to push regular and sometimes very substantial prices increases through the Price Commission they would to-day find themselves in very considerable difficulties.

There is some small comfort for the cement makers in the knowledge that their counterparts in other countries have suffered a great deal worse over the last year or so. In West Germany, the cement market dropped last year by 12 per cent. and with another 5 per cent. fall expected this year, manufacturers are bracing themselves for the worst trading period in 40 years. In other European countries, the same pattern has been repeated.

The situation is not all gloom, however, and at least Bryant Holdings, the big Midlands house builder, has shown its faith in the concrete sector in the best way possible. Within the last month, Bryant announced that it purchased the entire shareholding of the Pentos group in Concrete, the Bison wall frame specialist. Pentos decided to end its association with the company after attempts at a merger fell through last year and Bryants stepped in with £1.7m. to take over and declare its faith in Concrete's future. A switch away from local authority markets and significantly increased efficiency has certainly changed the company's outlook fairly dramatically, despite the immediate market situation.

But while orders remain low, there has been no lack of development in terms of new concrete products and applications.

The drive to make industrialised housing more acceptable to the public has recently had a major fillip in the government policies e ing the advantages of p low-cost housing in time, particularly if the tive is no homes at pace of developments pre-cast housing sce certainly been stepped the last year but there many longstanding mi tions and traditional to be broken down bef true potential can be Concrete road bloc instance, are the latest be promoted by the industry and there ar that they can eventua the degree of acceptanc U.K. that they now have Continental countries British Precast Concrete tion hopes that sales country will by the enc decade rise from 250 metres a year to 5m. sq. Construction is claime simple and flexible tho cost situation is less present.

Another developmen has taken the industry b is glass fibre reinforced which promises to world-wide impact for it challenge the territorie have previously bee to more traditional materials.

The development o made aggregates, which moment only claim abo cent. of the total U.K. gates market, is anoth for potential expansion. in mind the restrictions supply of natural m which seem likely to more intense in the fu

So the longer-term to bring the usual developments and techniques necessary industry to stay abreast times and particularly competitors. In the sho the message is to wa global events take a improving what has rough trading period al

Profits hold up well

FLUCTUATIONS in the profits of the leading cement manufacturers have been the cause of much surprise and some confusion over the past couple of years—fully reflected in share price movements during the period. In particular, the extent of the improvement in profits in the first half of 1975 was unexpected and led to an extremely strong relative share price performance in the second six months of the year when these figures were reported: the shares of both Associated Portland and Rugby Portland rose by nearly a third between June and the end of December, with Tunnel's price up by three-quarters, against a 17 per cent. advance for the market as a whole.

The market's surprise is because profits had been rising at a time when demand was low—having fallen to about a sixth below the 1973 peak level. This paradoxical interaction between volume and profits is principally explained by price increases and the operation of the Government's controls, especially the rules on unit costs.

The starting point is the beginning of 1974 when demand began to drop sharply—initially aggravated by the three-day working week — and pricing policies were confused by a lengthy dispute with the Government on price increases. This was reflected at Associated Portland, for example, in a drop in overall pre-tax profits for the six months to the end of June 1974 from £15.9m. to £9.5m. with the home side down by possibly £7m., or more.

Prices

Volume continued to fall throughout 1974—a drop of a twelfth for the year as a whole—and full-year profits were also well down. Apart from the particular difficulties with the Government, it was difficult to maintain margins at a time when volume was falling so rapidly since unit costs—rising sharply because of a lower operating percentage — but the Price Commission works retrospectively. So when prices started to be increased, as they have been regularly since May, 1974, the rises reflected unit cost increases in the previous quarter.

However, on a quarter by quarter basis the rate of decline in deliveries tended to slow down in the early months of 1975 while the impact of the drop in demand appears to have been absorbed more easily than in past cycles with a relatively smaller rate of increase in unit costs, though general inflationary pressures were as strong as ever. Anyway, the cement manufacturers in 1975 had much less trouble with the Price Commission and price increases came through regularly—seven to date since May, 1974.

The impact of the slowdown in the rate of decline of production and the working through of prices increases was reflected in a sharp improvement in profits for the first six months of the year. Associated Portland, for example, increased its half-year total from £9.5m. to £19.1m. in a period when its U.K. deliveries of cement had fallen by nearly 6 per cent., and the bulk of the profits advance came from the U.K.

At Rugby Portland, the interim profits increase was smaller—a rise of 8 per cent. to £5.36m. pre-tax—but then Rugby had a surprisingly good first half in 1974, and last year it was adversely affected by a deterioration in steel reinforcement and a further sharp set-back in Australia.

At the half-year stage in October, Rugby was talking about a "substantial" increase in third quarter profits and a sharper rise is presumably expected in the second half. Associated Portland was, however, rather more cautious — referring to the adverse effect on profits of the continuing decline in U.K. deliveries. Moreover, overseas — a considerable source of strength in the difficult period of 1974 — the South African devaluation will not have helped. Nevertheless, further price rises in the period support external hopes for a further improvement in the second six months. In a review on profits trends in the sector last December, brokers Fielding Newon-Smith argued that after the adjustments of 1974-75, second-half profits of the cement industry in 1975 would not be as high as in the first six months level. Still for a year as a whole, brokers L. Messel and Co. in another recent review estimated that total industry profits in the U.K. could be more than double the 1974 level.

The changes are likely to be less dramatic in the current year. Against the background of forecasts of a further small decline in industry deliveries (discussed in more detail elsewhere) there are hopes of maintaining margins at last year's levels with profits per tonne increasing to support a further advance in overall profits, albeit much more modest than in 1975.

Impact

There may, however, be variations in the experience of the major companies, as there have been over the last couple of years. This is likely to reflect at least partly the relative impact of their overseas and non-cement interests with the former being more important for Associated Portland and the latter for Rugby.

But fuel costs also seem likely to play an important part—in particular in the relative performance of Associated Portland and Rugby on the one hand, and Tunnel on the other. The two former groups have benefited over the last couple of years from having attractive long-term fuel supply contracts. Indeed, according to the Messel review, Associated Portland was paying less than half the normal pit-head cost for some of its coal by the end of last year—after a period when the market price for coal and other fuels had risen sharply.

Tunnel, however, was hard hit by the sharp rise in fuel costs at the end of 1973 with one works on oil (since changed to coal firing) and two on gas with contracts expiring in 1974. The initial result was that Tunnel increased its prices by more than the industry average and so started to lose market share at a time when demand was anyway falling. For example, in the six months to the end of September 1974, its deliveries by volume were 13 per cent. down, much more than the i average for the period group actually lost mone trading level before account of associate pro interest receivable.

But from then onwa past increases in prices to work through and s the energy cost distortio diminished. The resu been a sharp improver profits—a jump from £1 £2.1m. pre-tax for the h to the end of Septemb year—and the group ha regaining some of the lost before the return Common Price Agreen 1974—its volume declin per cent. for the March- ber period was less th industry average.

Moreover, Tunnel put in a below avera increase in the joint application for a pric while the other maj particular, Associated P are facing sizeable increases on the re-neg of contracts. The r price increase will, of affect everyone and co temporary relative ben Tunnel though the im Associated Portland's may not be too great. S analysts expect Tunnel better profits performer than either of the oth majors, though profits affected by closure costs West Thurrock works.

This potential was r in a stronger share pr formance by Tunnel in three months of 1975, its shares along with t Associated Portland and have tended to lag be far in 1976—drifting s or dropping slightly. understandable after t gains last year and the bility of smaller advar 1976.

Peter R

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CONCRETE II

The cement makers

E U.K. cement manu-turers have just emerged m another very difficult 12 nths of trading, with only unprecedented run of price reases helping them to ape the worst effects of the tinuing recession in the con-jction industry.

'inal figures for 1975 show t as building output con-ied to fall across the board, iveries by the cement pro-ers fell by a little over 4 cent. from the level ieved in 1974, a year when s dropped by a massive 12.4 cent. The outturn for last r is, nevertheless, rather er than many people within industry had originally been ecting and it is clear that cement manufacturers have some success in keeping s up despite the weak mar-

s for 1976, all the omens that a further decline is the way, though not of any ificant proportions. Opinions between manufacturers, some expecting a marginal rovement in deliveries and rs suggesting a further t falling off in trade. What- the outcome, however, the general attitude seems to be less pessimistic than has recently been the case.

Actual deliveries in 1975 reached 16.68m. tonnes and, together with the drop in sales of the previous year, took its inevitable toll on the cement producers, whose efforts to contain costs at a time of rocketing inflation took on an added urgency.

The most outstanding victim of the slump was Tunnel Holdings which, at the very end of 1975, announced that it could no longer continue its large West Thurrock operation. All manufacturing there is due to end in April, and nearly 700 people are being made redundant as a result.

The future of the works has been in doubt for some time because old plant has made it nigh on impossible for the company to compete on equal terms with the type of production facilities elsewhere in the cement industry.

High manning levels were necessary and its fuel efficiency—a major consideration in the operation of cement works—has been running nearly 30 per cent. down on the industry average. Extraction of chalk has also become more difficult and expensive and perhaps the final crunch came when it was realised that to meet statutory pollution regulations, some £5m. would have to be spent on the complex.

So what had been a marginal operation was turning into a serious loss-making situation and would have represented an accelerating drain on resources. True, West *Thurrock's* days were clearly numbered before the latest slump in sales but the recession brought matters to a head within an organisation which, like all other cement producers, was being forced into potentially painful slimming programmes.

100 jobs

Tunnel was not the only producer to suffer and several have been forced to shut down kilns and leave them until prospects pick up. By far the largest supplier, Associated Portland Cement Manufacturers—the Blue Circle Group group—has been forced to shut-down a substantial proportion of productive capacity, although it has only had to close down one works for good, at Rodmell in Sussex. About 100 people lost their jobs.

But what has really rescued the cement producers from a potentially disastrous situation is not their own strenuous efforts at rationalisation and cost savings, important as these have been, but their outstanding success in pushing a series of price rises, some substantial, through the Price Commission.

For three years, manufacturers had held prices steady until pressures mounted and in May, 1974, the first of seven price increases was announced. Since then, the average delivered price of a tonne of Portland Cement has risen from £10.80 to nearly £18 and the last increase was introduced at the end of January.

Each application by the manufacturers has cited dearer fuel and higher labour and distribution costs and each time their case has been successful. The cement producers are clearly now enjoying a far happier relationship with the Price Commission than existed throughout much of 1974, when the industry's longstanding and generally accepted common pricing agreement was broken up by Commission rulings.

For a period, manufacturers were forced to make individual price increase applications and feelings reached such a pont that APCM took the Price Commission to court over a dispute concerning its accounting principles. The company won.

Subsequent changes to the Price Code allowed the industry to resume its pricing agreement early in 1975. Since then, prices have risen another four times and there is a likelihood that further increases will be sought during 1976.

Faced with the continuing downturn at home, it is not surprising that some sales efforts have been concentrating on overseas markets, for although demand is down in most industrialised nations, the picture is very different in some of the developing nations.

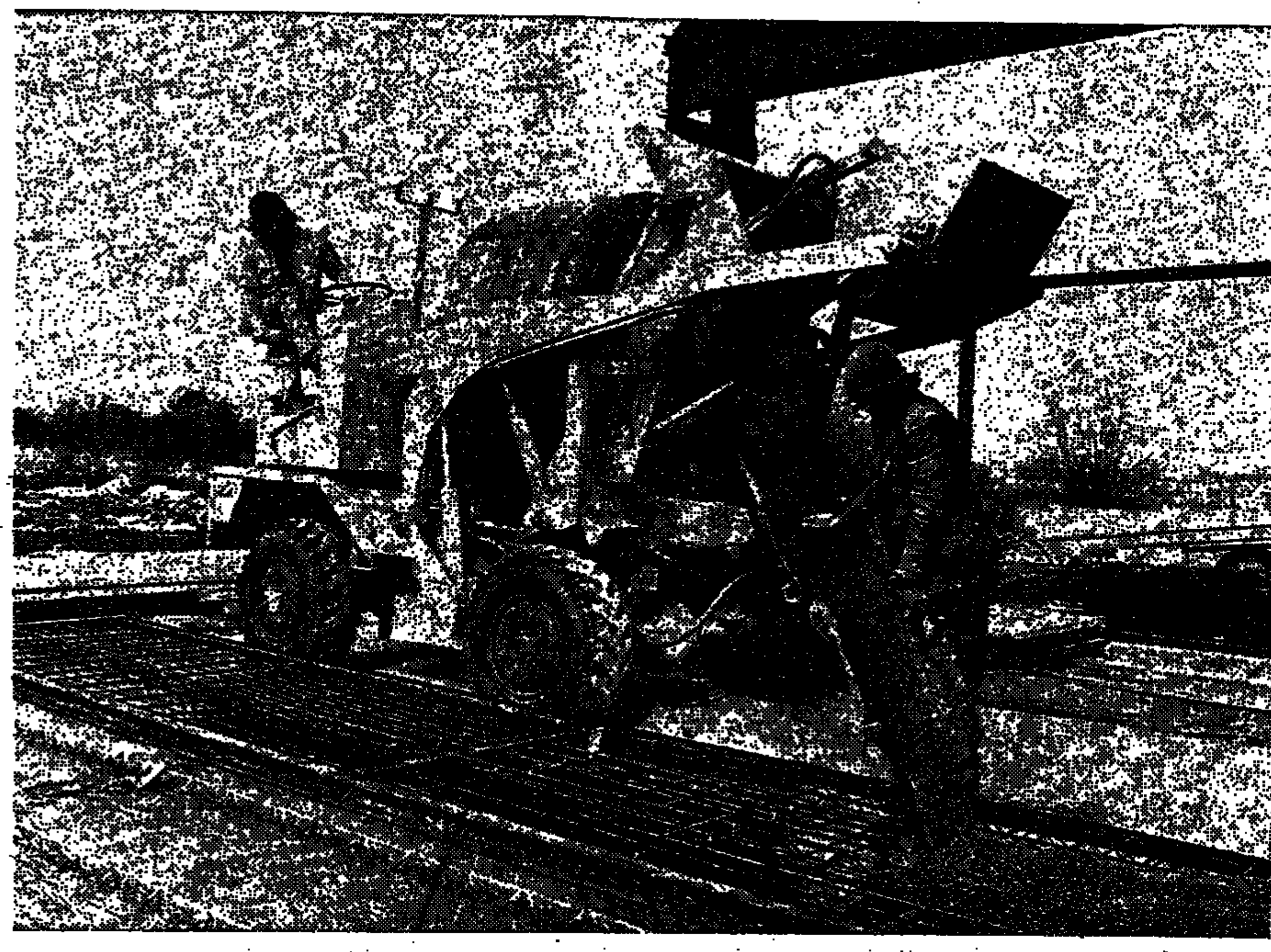
The Middle East countries, which originally triggered off many of the world's current economic problems, are now providing one of the major growth areas for a wide range of construction and building-associated industries. Few of them, however, yet have the ability to provide their own raw materials and in this respect cement is no exception.

One or two countries, like Iran, are quickly developing their own cement manufacturing industry, but for the most part the prospect for sales must remain good. Cement is not, of course, one of the easiest commodities to move around the world and the whole exercise can become even more unattractive when customers require consignments in costly bag form rather than in bulk. In 1974, only 36m. tonnes were exported—excluding sales within EEC countries—out of a total world consumption figure approaching 700m. tonnes.

The Middle East is not, of course, the only developing area with great potential for cement sales. African nations are also currently supporting major development programmes and, for the most part, they are not in a position to meet demand for construction materials from internal supplies.

British cement producers escaped almost altogether from the recent debacle in Nigeria, where 16m. tonnes of cement were over-ordered and long queues of cement carriers built up outside Lagos harbour. When the fuss has finally died away, however, U.K. producers could still emerge to win valuable business.

M.C.



A Metaquip Carman B2000 self-loading concr ete mixer chuting concrete into steel moulds.

Glass fibre potential

ITE ITS large unfavour- public image, invariably on rounds of its final appear- concrete remains an ex- ely versatile construction rial, with distinct itages in certain circum- es over its main rivals as brick, timber and steel. entially a plastic material, ete offers a degree of ility which can be of im- e benefit to designers, and able of being moulded into finite variety of forms and s. If desired, the presence icrete can be easily hidden a wide range of covering ladding materials, though effort than ever is now put into providing con- with finishing and weather- qualities more environ- ally acceptable than ever e.

e recent emergence of glass rced cement (GRC) has served to present yet an- new dimension to a build- medium which has had hing of a volatile and con- sial history to date.

is now some five years GRC first made the news s country but it has gone y long way in a compara- short time The new ial is capable of offering bination of strength and ess, together with an flexibility, which has pre- y been unknown and the ion of building component facturers throughout the has been centred on t developments in the which is the pioneer in iew field.

technology involved was ped by the National rch Development Cor- ion, which has since ed Pilkington Brothers of elens in Lancashire to ex- and develop the use of -resistant glass fibres on a -wide scale following the ering development by Building and Research lishment.

Pilkington markets its fibres under the Cem-FIL name and claims that when they are used in glass reinforced cement they provide a new range of characteristics which offer enormous potential for product development and look set to move into areas which were previously the sole domain of traditional building materials. Under normal circumstances, the high alkali content of Portland cement quickly breaks down glass fibres but Pilkington's success has been in producing a fibre which is not affected when mixed.

Interest

The world interest created in the development is hardly surprising and the number of companies that have now licensed GRC manufacturing technology has reached over 200. They are spread as far apart as Australia, South Africa, Canada and Europe.

In a move which was described as a considerable breakthrough for British glass technology, Pilkingtons said last September that it had signed a know-how agreement covering its alkali-resistant fibres with the Owens-Corning Fibreglass Corporation of the U.S.

Pilkingtons recently held its first international GRC manufacturers' congress in this country and over 200 delegates from 140 companies in about 15 countries turned up to ensure they remained abreast of latest developments. The company reports that interest continues to grow and it believes that GRC can expect to make significant inroads into several product areas, notably cladding panels, street furniture, permanent formwork and pipes.

Apart from the potential for product diversification, a variety of processes have been developed to produce GRC and further advances are anticipated. Along with casting in the traditional method, spraying techniques have also been adopted, although both these alternatives do have some disadvantages in that spraying can be labour intensive and normal moulding systems result in poor strengths because there is a lack of orientation of the fibres contained in the material.

Pilkington's approach is that if users of their fibres can develop new ways of incorporating them in GRC then all well and good, the company's overriding concern merely being to see that the concept of GRC is subject to a controlled development, a process kept within its control by its licensing system.

Certainly, the companies which have been fortunate enough to work with GRC are full of praise for it. Banbury Buildings, one of the largest manufacturers of pre-cast concrete garages and commercial buildings in Europe, have developed a new method of mixing, moulding or extruding fibre-reinforced cement to produce "an infinite number of intricate and complicated products" which can be five times thinner than the conventional article and yet of the same strength.

The equipment which Banbury has developed for its own technique has already been fully patented in many countries and production at Banbury has started on some of the products normally manufactured in concrete.

A spokesman for the company said that, because of GRC, a whole new range of designs could and were being produced which would result in very much lighter products being available on the market.

Mr. Peter Marland, director in charge of the development named Bancem, commented "It is a most exciting project, offering the concrete and allied industries a new technique, low manufacturing costs, using a flexible machine, without the necessity of high capital cost."

He added: "Apart from a good deal of general interest in Great Britain—including from an industry we had not really considered, namely the production of refractory blocks—we have had response from the Philippines, the U.S., France, Brazil, the Middle East, Holland, South Africa, Spain and Japan."

Fascias

Banbury is not alone in its enthusiasm. Fibrocem, a company jointly owned by Associated Portland Cement Manufacturers and Pilkingtons and specialising in the production of pre-mixed glass fibre cement products, has just announced the first major commercial application for Weatherskin, a newly developed GRC premix. The products has been used to form fascias on a sports and leisure complex in Edinburgh, where concrete and asbestos cement sheeting was ruled out. Weatherskin is intended to be used as a rendering material and, because of the low water-cement ratio involved, has a high degree of impermeability and resistance to cracking.

Elsewhere, Mono Concrete of Kirkby in Ashfield, which says it has embarked on a development programme involving GRC products, has revealed its latest product line, a new system of street furniture modular units, suitable for installation in both indoor and outdoor landscape situations.

But although the use of GRC is rapidly expanding it is clear that this new material is really still at the beginning of a period of intense development. Pilkingtons have no doubt that its full potential remains a very long way off and that can only be good for the company and for the U.K.

M.C.

PARLIAMENT

Iceland break regretted

Peart pledges tough defence of British fishing interests

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

DIFFICULTIES posed by Iceland and by the European Commission's proposals for 12-mile fishing limits were met yesterday by Government declarations that British interests would be firmly upheld.

As news reached MPs of the diplomatic break with Iceland, Mr. Fred Peart, Minister of Agriculture and Fisheries, was assuring the Commons that the Government "would not be weak" in the talks that would now be held within the EEC on fishing rights and quotas.

He paused to express his regret at the Icelandic action. But earlier in his speech, he said that a break of diplomatic relations could have no effect whatsoever except to increase the difficulties in the way of a negotiated settlement.

And this, he maintained was what all responsible people wanted — surely in Iceland as much as in Britain.

But from the Opposition side, Mr. Peart was urged by Mr. Alick Buchanan-Smith to give a firm lead on the industry's problems, not least the newly-emerged problem raised by the EEC in ignoring U.K. arguments for an extension of exclusive fishing rights for British fishermen of up to 100 miles within the proposed 200-mile limit for territorial waters.

Firmness

Mr. Peart assured MPs that the talks on the issues of the EEC's proposed 12-mile limit and on quotas would be conducted with reasonableness on Brirtain's part, but with firmness.

The objective would be to maintain the essential interests of all sections of the industry and to safeguard its ability to produce the fish we need.

But the Minister discouraged hopes that the industry might easily get short-term aid. If, however, a case of overwhelming aid were made out, he gave the assurance that he would be prepared to consider it.

Mr. Peart denied that fishing by British trawlers had caused a crisis in the cod stocks off Iceland. "British fishing in the area has been declining for some years. Five years ago our cod catch was about 15,000 tons. Last year it was less than 100,000 tons.

"In the meantime the Icelandic fishing industry has been increasing its trawling effort, partly by investing in new trawlers and partly by the conversion of other vessels to trawling following the collapse of the Icelandic herring stock—caused by Icelandic over-fishing.

"If there is a risk to the stock, it has been caused by the Icelandic industry, not by the British."

Mr. Peart said the Government acknowledged the dependence of Iceland upon fishing. "We were, and we are prepared, to ask our industry to make considerable sacrifices in the interests of reaching agreement. But we cannot just forget our fishing industry altogether. There is a dependence there too."

Icelandic action in barrassing British trawlers on the high seas was not only contrary to international law, but also extremely dangerous.

"When the warp of one of our trawlers was cut this morning close to the vessel, it whipped up and struck a member of the crew, injuring him."

Mr. Peart continued: "While we very much regret the need to use naval vessels to protect our trawlers, there is no denying that protection has been effective and that catches off Iceland have been good.

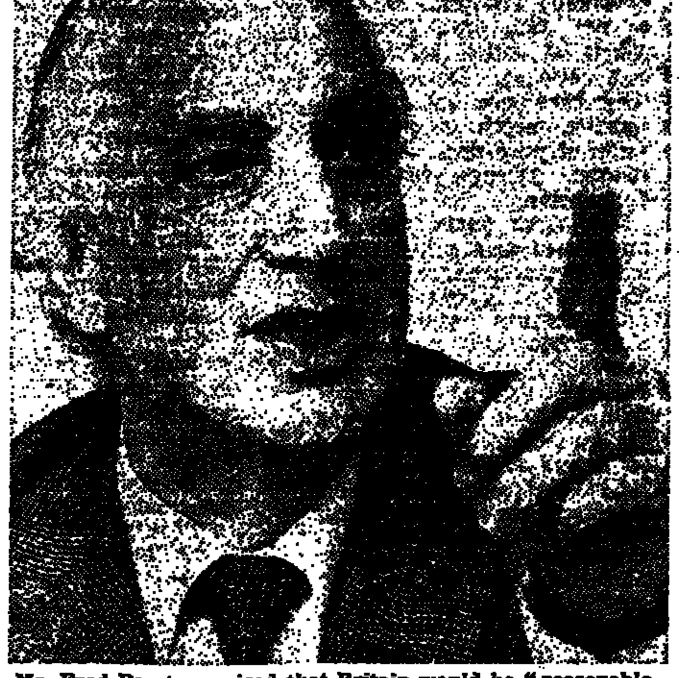
"In the period from November 13 to January 31, our trawlers caught over 18,000 tons of fish there, compared with less than 12,000 tons in the same period a year before."

On conservation generall, Mr. Peart said pressure on fish stocks had shown a vast increase in recent years. This posed a threat to the future of Britain's industry. "If stocks are not properly protected, many of the species which U.K. fishermen have traditionally caught could disappear, or at least be very greatly reduced," he warned.

Mr. Peart stressed that satisfactory conservation measures could only be achieved by international agreement. The U.K. had been a leading country in the work of the North East Atlantic Fisheries Commission.

On EEC fishing policy, Mr. Peart said there was a need for the development of a policy to meet the uncertainties besetting the fishing industry at the moment. "I have made it abundantly clear that the development of the Communitys' fisheries policy must provide adequate safeguards for the industry in the United Kingdom.

"We do need to study the Commission's ideas before we reach a final judgement. Once we have done so, we shall conduct the subsequent talks with our Community partners with reasonableness, but with firmness."



Mr. Fred Peart promised that Britain would be "reasonable but firm" in talks on the EEC's proposed 12-mile limit.

On the industry's finances, Mr. Peart said: "The indications are that losses made in the early part of the year were offset by later profits. By the second-half of 1975, the fleet generally—of course, there will always be exceptions—was apparently back in the black."

Mr. Peart assured MPs: "The Government understands and shares the fishing industry's anxieties." We have demonstrated by the financial aid we gave it last year, by the way we have defended its interests with Iceland, and by the pressure we are exerting for a reappraisal of the Common Fisheries Policy that we fully recognise the Government's responsibilities towards it.

"The Government will continue to fight for its essential interests."

Mr. Buchanan-Smith urged the Government to say whether it had a long-term policy for the future of the fishing industry and whether it would be backed up with action. The industry was looking for a lead from the Government.

Mr. Buchanan-Smith spoke of the "shadow of Iceland" hanging over any discussion of the fishing industry. If there was any chance of settling the dispute by negotiation, this should be taken.

British fishermen were going about their legal business off Iceland and he paid tribute to the resourcefulness of the fishermen and the support of the Royal Navy.

Mr. Buchanan-Smith warned there was a real danger that if boats were allowed to tie up at the present rate they would not put to sea again. Urging the Government to help the industry with its problems he commented: "If it does not, the fish stocks of our country will be at risk and the strength of the industry in international negotiations will be weakened."

He called for a single controlling authority to make sure that quotas were effectively observed.

Mr. Jo Grimond (L Orkney and Shetland) said he regretted the announcement of the diplomatic breach by Iceland. "I believe there has been considerable sympathy in Britain with the Iceland point of view but, nevertheless, it is beginning to be felt that the Icelanders should not play their hand too hard.

"They have been offered negotiations and the time has come whe nthey would be wise to exercise some restraint."

MPs liked radio experiment, says report

By Philip Rawstorne and Arthur Sandles

THE COMMONS is expected to agree in the next few weeks to radio broadcasts of its proceeding on a permanent basis.

A report from the Commons Services Committee yesterday said that a large majority of MPs appeared satisfied with last year's four-week broadcasting experiment. The predominant view was that the radio programmes had "put the people more closely in touch with Parliament," it added.

A Government motion is to be tabled before Easter to give MPs a free vote on the issue. If the principle of permanent broadcasting is approved, talks will be held immediately with the BBC and IBA on the practical arrangements.

But although permanent broadcasting is now in sight, neither the BBC nor independent radio is in the mood, or financial condition to pay for it.

In a memorandum to the commitee, the BBC estimated that the capital costs of a permanent operation would amoutn to some £310,000 and running costs to a further £25,000 a year. These sums would be met from licence revenue but the BBC asked Parliament itself to bear the costs of providing accommodation at Westminster.

The IBA told the committee that although the independent radio stations would be willing to contribute to editorial and running costs, Parliament should bear a "substantial proportion."

Under present economic conditions, local radio companies could not "realistically attempt to enter into any undertaking to broadcas fro mthe House if this involved large capital or revenue expenditure by them."

Next week's business

MONDAY: Local Government (Miscellaneous Provisions) Bill second reading; motion on EEC documents on nuclear safety.
TUESDAY: Debate on East-West relations.
WEDNESDAY: Post Office (Banking Services) Bill, rmg. stgs.
THURSDAY: Motion on civil aviation policy guidelines; Atomic Energy Authority (Special Constables). Bill, second reading.
FRIDAY: Private Members' Bills.
MONDAY (March 1): Road Traffic (Seat Belts) Bill, second reading.

Lords debates are:
TUESDAY: Maplin Development Authority (Dissolution) Bill; National Coal Board (Finance) Bill, third readings; Trade Union and Labour Relations (Amendment) Bill, committee; Solicitors (Scotland) Bill, report; Shops (Sunday Trading) Bill, second reading.
WEDNESDAY: Debate on White Paper on Overseas Development.
THURSDAY: Divorce (Scotland) Bill, Solicitors (Scotland) Bill, third readings; Endangered Species (Import and Export) Bill, second reading; Tyne Wear Bill, second reading.

You're dodging the question . . .

THE PRIME MINISTER was yesterday challenged by Mrs. Margaret Thatcher, Opposition leader, to say whether he accepted that the burden of taxation was now too high. "If so, how do you propose to cut it next year without also cutting public expenditure?" she asked.

Tory MPs cheered approval when Mrs. Thatcher added: "Does the Prime Minister intend to make up the difference yet again by borrowing, thus postponing the day of reckoning even further?"

There were noisy scenes when Mr. Wilson referred Mrs. Thatcher to the White Paper being published that day. He said: "I hope, when she has read it, she will tell us which public expenditure cuts she does not agree with, and what further cuts she would make, because we have heard nothing from her yet."

Mr. Wilson declared: "I have never known a time when taxation has not been too high but I cannot anticipate the Budget statement."

Mrs. Thatcher accused the Prime Minister of avoiding her question. He had frequently said he was not going to cut public expenditure next year and there had been hints that the Chancellor would be cutting tax. "How is he going to do the one without the other?" she asked.

Mr. Wilson replied: "You had better wait for the Budget for an answer to that. It is you who dodge every question. You have never yet said what you would cut apart from increasing defence expenditure by £5bn., apart from your election bribes on rates and mortgages."

Conservative MPs shouted at Mr. Wilson to answer the question and the Speaker had to call for order as the Prime Minister challenged Mrs. Thatcher to tell the House what expenditure cuts she would make.

Pointing a finger at the Opposition leader, Mr. Wilson said the Government would not cut public expenditure this year. He demanded to know whether Mrs. Thatcher agreed with her "shadow" Chancellor (Sir Geoffrey Howe), that expenditure should be cut this year even though it would mean more unemployment.

Mrs. Thatcher sat in her place and did not respond.

Mr. Emlyn Hooson (Lab., Montgomery) asked about the increase on the interest of the National Debt "which has risen enormously in the last year."

Mr. Wilson, who replied that the figures were in that day's White Paper, added: "We are not, as a Government, cutting expenditure this year to increase unemployment this year."

Vigorous campaign plan by Liberals

By Richard Evans, Lobby Correspondent

THE LIBERALS intend to use the Coventry North-West by-election on March 4 to launch a new type of aggressive electioneering campaign.

A coachload of Liberal Peers, MPs and party officials are going to Coventry three days before the poll to join 500 workers in a mass canvass of the constituency, which Labour held at the last election by a majority of 7,488. The Liberals came a modest third with 5,700 votes.

Mr. Cyril Smith, Chief Whip, announced yesterday that a decision has been taken by the Parliamentary party to change their political tactics by operating outside Parliament more and by attacking the present system of government.

They intended to choose as prime targets the unfair electoral system, the power of bureaucracy and the Civil Service, and the mess in which local government found itself. "Massive examples" would be produced of waste of money in local and national government.

Similar campaigns will be mounted at the two by-elections a week later in the Tory-held seats of the Wirral and Carshalton.

The Liberals are determined to pull out their maximum effort in the by-elections in an attempt to prevent what could be a humiliating series of results. All the indications are that their public support is static or declining, and the by-elections will provide the first major test of opinion since the last election.

Nine MPs are expected to go to Coventry, although Mr. Jeremy Thorpe, the party leader, is unlikely to be able to break a St. David's Day engagement.

Rees rejects Left's call for Ulster withdrawal

BY JOHN HUNT

DEMANDS FROM a group of Labour Left-wingers that Britain should withdraw from Northern Ireland were firmly rejected in the Commons yesterday by Mr. Merlyn Rees, the Northern Ireland Secretary. He also denied reports that officials of his Department had been meeting with representatives of the IRA in the last few days.

The withdrawal from the Province was urged by nine MPs, who are members of the Left-wing Tribune Group, in a long letter appearing in The Times yesterday. It called for more democracy in Ulster, a repeal of the Emergency Powers Act and the phasing out of the role of the Army in Northern Ireland.

The letter went on: "This process has to be accompanied by a clear declaration by the British Government that its aim is withdrawal from Northern Ireland."

Mr. Rees told the House that the only way to get a properly devolved government in Ulster was to get the divided community working together. "If that does not happen, we have responsibility for Northern Ireland and nothing anybody can say or do can wash that responsibility away because it is there," he declared.

Mr. Airey Neave, "shadow" spokesman on Northern Ireland, drew his attention to the letter in The Times and suggested that if the policy which it advocated were to be adopted, it would encourage the IRA and start a civil war that could spread to other parts of the United Kingdom.

Mr. Rees told him that many people seemed to assume that there was effective government machinery in existence in Northern Ireland to take over from us.

"There is nothing to hand over to," he said.

"The reins of government are here and that is where they will remain even if there is a devolved government because devolution does not mean independence."

Mr. Rees explained that he still expects the business of the constitutional Convention to be concluded within four weeks of its first sitting which was on February 3. "If it was not for the presence of the British Army, there would be a civil war far worse than anything we have seen and it would spread to this side of the water. There are no easy solutions."

The MPs who signed the letter to The Times were Miss Joan Maynard (Brightside), Mr. Stan Thorne (Preston S.), Mrs. Maureen Colquhoun (Northampton N.), Mr. Sydney Bidwell (Southall), Mr. Tom Litterick (Selly Oak), Mr. Eddie Loyden (Garston), Mr. Martin Flannery (Hillsborough), Mr. Ron Thomas (Bristol N.W.) and Mr. Andrew Bennett (Stockport N.).

Mr. Rees's denial that Northern Ireland Department officials have been in touch with the IRA came in reply to Mr. Enoch Powell (UUU Down S.). Asked to comment on the reports, Mr. Rees replied briefly: "They are false."

Mr. Don Concannon, Under-Secretary for Northern Ireland, was asked by Mr. Neave if the denial also applied to a report yesterday that Foreign Office officials were in touch with the Provisional Sinn Fein on behalf of the British Government.

Mr. Concannon reminded him that only a few moments previously Mr. Rees had made his denial. Mr. Neave persisted in his questioning and argued that Ministers had still not clarified whether or not Foreign Office officials had been imported into the Province for that purpose, as distinct from officials of the Northern Ireland Department.

But, in reply to this, all Mr. Concannon would say was that Mr. Rees had already said that the reports were untrue.

In other answers, Mr. Rees said that he would b[...] in legislation to in[...] unified courts sy[...] Northern Ireland [...] lines suggested in [...] Dermott, Lowery and [...] ports. A consultative [...] would be issued first.

● Mr. Stan Orme, [...] State for Northern I[...] nounced that the sub[...] Ulster which would [...] met by the British [...] during the current fin[...] was 400m. He pointe[...] there was a responsibi[...] people of Northern [...] recognise what the r[...] U.K. was doing for t[...]

Welsh TV channel refused

PROPOSALS for a f[...] vision channel in W[...] been turned down for [...] on financial grounds [...] situation will be revi[...] Mr. Roy Jenkins, Ho[...] tary, told the Commo[...] day.

In a written r[...] Jenkins, said that the [...] Committee's recom[...] that the service shou[...] vided had been accept[...] ciple. It had also car[...] sidered the Siberr[...] which set out a progr[...] costs for the service.

"The Government [...] cluded, however, in t[...] of the recently comple[...] of public expenditure [...] project cannot in th[...] economic circumstar[...] mend sufficient priorit[...] an immediate Govern[...] vention."

Mr. Jenkins add[...] minent in this conside[...] the necessity to co[...] sources for other de[...] in television of benef[...] and the country as a [...] particular the need [...] the programme of c[...] colour on UHF, and [...] the existing VHF 405 [...] missions.

"The government [...] review the situation [...] the end of the 1976-7[...] year."

Violence problems hit housing

MURDER and intimidation are among the problems faced by the Northern Ireland Housing Executive, Mr. Don Concannon, Ulster Under Secretary told MPs yesterday.

Defending the executive's house-building record, Mr. Concannon said that no other housing authority had to put up with murder, intimidation, and having its main office headquarters bombed seven times, as well as having various regional offices damaged.

About 25,000 houses in Northern Ireland had been damaged, 60,000 were empty because of vandalism, and there was widespread squatting. Housing schemes had also been abandoned because of the activities of paramilitary forces.

Mr. Concannon was replying to Mr. Harold McCusker (UUU Armagh) who said that the total of 4,885 houses completed by the housing executive in 1975 was the lowest total built in Northern Ireland for over 20 years. It had already been shown that three times this number of houses could be built.

Mr. Concannon replied that in the circumstances, the housing executive was doing a good job, and he had no intention of reverting to local authority control of housing. "It is time you backed the housing executive instead of trying to destroy it."

Debt estin[...]

THE ESTIMATED no[...] of public sector deb[...] ing to the private ar[...] sectors at April 1, [...] £60bn. or about £1,07[...] of the population. [...] stated in the Common[...] by Mr. Joel Barn[...] Secretary to the Trea[...]

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The Executive's World

EDITED BY JOHN ELLIOTT

JOHN ELLIOTT looks at the employee participation debate in the light of the CBI's answer this week to the TUC's worker director plans

Involving workers in company fortunes

WHEN THE CBI grand council pproved its new policy on mployee participation on Wed- esday, it was heralding a ignificant shift in managerial ttitudes towards the rights of mployees to have a say in how neir companies are run. How ar this shift is reflected in ndividual companies remains to e seen, but the fact that the BI's council took this ance, and that the Engineer- ig Employers' Federation's anagement board moved wards a similar policy on the ume day, indicates a radical -assessment by top manage- ents on the role of their nployees.

These developments, which BI and EEF leaders do not elieve would have been ssible two years ago (indeed e idea of statutory plant con- iltative councils were thrown it by the CBI late in 1973), are irtly due to political pressures ith in the U.K. and the EEC. ney are also the result of nployers needing to develop w labour relations policies in e wake of the former Indus- ial Relations Act.

At the same time, however, e growing need for manage- ents to harness the support cf eir employees for rapid tech- logical change and, in some ses, for economies caused by ancial problems, has also arpened the issue. This aspect the trend has been most vious in companies such as itish Leyland, Alfred Herbert d Ferranti, all of which have up consultative committees over the past year to help cope with their financial problems. But, in a less dramatic way, other companies have taken the first steps towards employee involvement. Many of them have moved, however, only to the stage where they hand over some company information and engage in consultations which may or may not influence management decisions and which therefore fall short of real "participation."

The rate of change in managements' views on this vary enormously from company to company but the fact that the country's two major employers' organisations have managed to draw up policy documents itself shows a recognition that employers need to take a positive stance, especially for the Government's Bullock Inquiry on industrial democracy in the private sector.

Broadly, both organisations have decided to oppose rigid legislative frameworks dictating what individual companies should do. They are also critical of the TUC-orientated terms of refernce for the Bullock Inquiry. They condemn the TUC's own 50-50 supervisory board proposals and also shy away from regarding worker directors in general as a primary means of extending participation. Both organisations then go on to make concrete proposals for large companies with more than 1,000 or 2,000 employees to negotiate statutorily-backed participation agreements with all their employees (not, it should be noted, solely with their unions) while the CBI has also persuaded its small company representatives to accept voluntary arrangements.

At the same time, both organisations have shown in their policies new developments in their attitudes towards the union leaders with whom they deal. Fresh from negotiating new labour dispute procedures and a new national consultative forum for the engineering industry, the EEF is going into its new participation stance full of hope about new and good relationships. The CBI, however, anxious to recoup some of its lost stature in relation to the TUC, adamantly states that its proposals for increased participation are not negotiable with the TUC.

"We believe that the CBI should put forward a practical policy of its own and stand by it, rather than attempt to negotiate or compromise on the extreme proposals of others," says the CBI, making it quite clear that the "extreme proposals" are the TUC's, which it condemns as being aimed at achieving worker control rather than worker participation.

This is a key point because it is often not understood by many industrialists and managers that the TUC's proposals are aimed at ultimately achieving trade-union-worker control.

Managements, however, are primarily interested in moving only towards consultation or participation and the problems their leaders encounter in even going just this far is demonstrated by the fact that the CBI shied away this week from talking in terms of involving employees or their representatives in decision-making processes—although this may be changed soon. The document approved on Wednesday by the CBI grand council merely talks in terms of promoting "involvement of the employee in the context and purpose of his job" as one of its principal objectives. The other objectives are centred around "promoting understanding" and making employees "aware of the reasons for the major decisions which affect them." The shift away from paternalism which the new approach demonstrates is therefore far from total, even though there were some voices raised in the CBI in favour of a firmer line which may now be taken.

This highlights the differing views among managements about how far it is right to go at present. British Leyland's new consultative arrangements, for example, lay down key subjects such as the company's budget, cash flow, product plans and capital allocations as subjects for its joint committees. This demonstrates an intention—now being carried out with considerable enthusiasm at varying levels of management and unions—to involve the workers in decision making.

Many other companies would not want to go as far as this and there is also a concern among some senior executives about the problems of finding sufficient significant topics to keep consultative committees busy in a constructive way. Even more important than this is the basic question of whether workers themselves actually want to move into positions where they control their companies.

There is a growing conviction among personnel managers and senior executives—shared by some union leaders—that while workers are becoming increasingly interested in gradually being involved in the processes leading up to decision making, they do not want to have to take ultimate responsibility for those decisions. This fits in with the views of those TUC unions which are opposed to the TUC's worker director idea and want instead to extend collective bargaining into new areas on financial, production and other matters. The problem, therefore, which employers have to face at a time when the Government is expected to prepare legislation on the subject after the Bullock Inquiry report is how far they are prepared to go—with or without worker directors—in gradually giving their workers greater influence in short- and long-term management.

The CBI's proposals are an important first step and should been seen not only as the basis for evidence to the Bullock Inquiry but also as a policy which the CBI considers companies should start implementing immediately without waiting for the Government to legislate or even for the inquiry to report. It rationalises its broad approach by stressing to its members in its confidential policy document, which will be officially published soon, that "employees to-day are better educated, better informed and have been encouraged to expect more from their working lives."

> 'Bargaining is a proper process for deciding the share of proceeds to be allocated to pay and other employment costs; participation is the means of enlisting employee co-operation in creating the proceeds to be shared'—CBI

But the CBI also spells out that it does "not consider that employee representation at board level necessarily has an important role in the extension of greater participation" and underlines its opposition to the TUC's 50-50 proposals, which would take a form of collective bargaining into the boardroom, when it says: "Any suggestion that employee participation necessarily involves employee delegates on the Board must be refuted." It does, however, acknowledge that worker directors, occupying up to one-third of boardroom seats, is one option a company might choose, providing that the worker directors share the full responsibilities of other directors. It also says that the arrangements "must not interfere with the executive function of management" or with commercial secrecy.

In a further attack on the TUC ideas—both the "official" TUC policy for trade union based worker directors and the dissenting union view that collective bargaining should be extended—the CBI says: "The objective of the TUC proposals is for control over major corporate decisions to be vested in the representatives of organised labour." Rejecting the political implications of this the CBI adds: "Bargaining is a proper process for deciding the share of proceeds to be allocated to pay and other employment costs; participation is the means of enlisting employee co-operation in creating the proceeds to be shared."

The objectives which the CBI document then develops hinge around the theme that "decision making in industry is with the consent of the employees involved." This theme is likely to be expanded and the engineering employers are more specific in their proposals for giving workers opportunity of "influencing decisions." In detail, the CBI proposes that the 700 U.K. companies with over 2,000 employees should negotiate, within a four year period, "participation agreements" with their employees—not just with their unions. This would be a statutory requirement which could be extended later to companies with 500 or more employees.

Other smaller companies would be encouraged to act voluntarily. The statutory control on the larger companies would involve binding arbitration for those which did not agree a participation system within the four years. Any agreement would have to be approved by a simple majority in a secret ballot of all the employees affected (not just of those voting).

The engineering employers' proposals are not much different from these although they propose starting with companies with 1,000 or more employees and call their formula an "agreement on employee participation practice," with the possibility of an imposed "trustee council" looking after employees' interests where no agreement is reached. The engineering employers also suggest that the Government might like to try out the TUC proposals in its own public sector before imposing them on private companies.

The debate about the involvement of people at work is therefore now well under way. What the CBI and the engineering employers have done this week is to ensure that management's case does not go by default in the face of the TUC's Union control-orientated proposals.

OOK REVIEW

Beecham's marketing 'maverick'

om Pills to Penicillin: The Beecham Story by H. G. Lazell, Heinemann. £4.90, 208 pages

Henry Lazell, a one-time ledger rk who rose to become chair- n and chief executive of the echam group for a decade til his retirement in 1968, was, his own admission, a averick" and "stormy petrel." t what was more important m Beecham's point of view s that he was a strong market- man. He believed in his ducts to the extent that he s a fervent user of the com- y's products: Lucozade, Eno's, l Macleans Tooth Paste were ays to be found in his home. was also a "Brylcreem boy." o this book is as much about keting as a company graphy. (He admits he is no orian, a point proved in the ointed presentation of the ipany's development.) Never- less, he recalls, neatly kaged, how the group eloped and marketed its wide ge of products. He may not e felt very flattered when, r joining the Board of ICI 966, he was described by a eague as one of the "barrow s" of industry, but that, he ied, was a reflection of the ish prejudice against hard- ng and heavy advertising. "I not regret my aggressive ude nor do I think that it ned the company," he writes estly.

But there is a limit to which one can have faith in the perfection of home-produced goods. Take the case of Macleans Tooth Paste: during the Second World War the formula and packaging was changed with the result that the first squeeze of the initial batch of whiter-than-white toothpaste came out black.

About the same time the group found itself short of glucose for Lucozade; an Austrian refugee came up with an alternative source of glucose raw materials —horse chestnuts. Women's Institutes, Boy Scouts and Girl Guides throughout the land collected the chestnuts for a fee of 2s. 6d. a sack.

The collection was a huge success; but stepping up the manufacturing process from a laboratory system was more difficult. In the end the mountain of horse chestnuts was used for fuel and the cost of collection was more than covered by the saving of coal.

These are some of the lighter anecdotes from a resumé of events which does not attempt to gloss over mistakes. "I never did succeed in bolstering an inadequate top manager either by giving more of my own time to him or by appointing able people to support him," Lazell recalls. It was a mistake he continued to make through his business life.

But this brief history throws up many more successes than mistakes, and none bigger than the development of new penicillins which transformed the group—but here again Lazell reveals his marketing bias:

> "The idea that penicillins could one day be bought over the counter had great influence on my mind and was the principal reason for my continued interest in it. I am an unrepentant maverick, and am still prepared to argue that ampicillin, Beechams' broad-spectrum new penicillin, would with advantage be made available for advertisement and sale to the general public, subject to adequate safeguard."

The statement would probably send shudders down the spines of scientists and doctors. Lazell became aware that with its strong pharmaceutical interests the time was coming when Beechams should have a different style of management. Sir Ronald Edwards was chosen as a successor. "I thought that it was probably time for Beechams to take a less contentious course, and for this purpose it would be helpful to be led for a few years by a member of the Establishment." But Henry Lazell, the stormy petrel, had left his mark.

Ray Dafter

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FRIDAY, FEBRUARY 20, 1976

Semi-credible, semi-adequate

A PUBLIC expenditure White Paper is a very odd document. It is not a plan for future cash outlays, but for the future use of resources; and the longer term planning takes place in a strange world known only to economic forecasters, in which there are no trade cycles, no changes in the terms of trade, and in which exports and investment, like some benevolent emanation, always expand to fill the space made available for them. The plan therefore begs a number of absolutely central questions. First, is it credible? Has the Treasury the necessary powers to see that the plan, good or bad, is in fact carried out? Secondly, if it were carried out, would the other developments envisaged be likely to follow—in this case, the rise in exports and investment, and the restraint in personal spending? Finally, if the answers to the first two questions are satisfactory, how is it to be financed?

The record of control of spending in the past has been so poor, as the Treasury has had to admit, that the new plan starts off under a heavy handicap. The fact is, however, that the Treasury does seem to be taking steps to ensure that its plans mean something. The enforcement of cash limits, whose details are to be announced later, should at least draw attention to abnormal cost increases before rather than after the relevant decisions are taken. Monthly monitoring of actual outlays, if efficiently done, will have the same effect of giving early warning of trouble.

Contingency reserve

The fact that calls upon the contingency reserve—an odd fund provided both for the genuinely unforeseen, and for financing known policies which have yet to be enacted — must in future be vetted by the Cabinet — may convert what has been a widow's cruse of public money into a fund which, if it is not entirely inelastic, is at least in some sense limited.

There remains, unfortunately, a large question: is the Cabinet itself bound by the plan? Enthusiasm for public economy has in the past been rather a short-lived fad, to be dropped as soon as rising unemployment or a stronger balance of payments enable spending Ministers to make a stronger case. Perhaps the most important innovation in the paper, then, is the fairly blunt discussion of the tax consequences of failing to rein back expenditure; even if it is pegged at next year's level, a large but "manageable" increase in the personal tax burden is implied. The more the Chancellor can rub his colleagues' noses in the fact that, in the current American phrase, there is no such thing as a free lunch, the likelier he is to restrain their spending enthusiasm. If the plan is enforceable, is it sensible? On the favourable growth assumptions the Government has chosen to make, it would certainly be helpful. Public sector use of physical resources would be reduced from 35 to 28 per cent. of national product, a really substantial shift. The further private income derived from public transfers — pensions, welfare payments and debt interest — would fall much more modestly from 26 to 24 per cent. However, the growth assumption itself is more than questionable, and indeed fanciful.

Hard to imagine

This is the heart of the matter. The strategy looks for a rise in private investment which would absorb more than a quarter — or if growth is slow, more than a third — of the whole increase in national output, about double the normal proportion of resources going to capital formation. It is just about imaginable that investment would rise far above its historic average given export-led growth (which seems at least possible), adequate incentives and favourable financing conditions. It is virtually impossible to imagine this happening in a context of rising taxation, price restraint, and heavy, continued public sector borrowing — and that is what is implied in the rest of the strategy.

Equally, it is just possible to imagine a five-year period in which real personal incomes lag behind productivity consistently, given that they have already fallen sharply and may in future recover; but clearly a lower level of public consumption, leaving more room for the growth of private consumption, would provide a much more favourable political outlook as well as a much more favourable outlook for investment.

The usual political answer to calls for further cuts is the question "What would you cut?" Before offering any proposals, it is worth pointing out that over the whole period since it took office, the Government is now, after its cuts, planning that public use of goods and services should rise by 11½ per cent. in real terms over the level before it took office, and by nearly 20 per cent. in cost terms, including debt service. That growth is more than we can afford.

Highly questionable

Among the areas which could yield economies are housing, the slum area of public policy, where building continues quite largely to house those made homeless by the destruction of the private renting market. The economic review now going on in this field should be richly rewarding if political prejudice permits it. The rise in industrial spending is also highly questionable: spending on training and investment support may prove worthwhile, but much "aid" is worth far less than a corresponding cut in the burden of public expenditure, and some is counter-productive. A Government which took this burden as seriously as it deserves would also examine the financing of higher education and the health service, and the waste involved in some of the public services.

Two illusions have helped to make the authorities too complacent about the burden of public spending: in the short term, that high spending is positively virtuous; in the long term, that the expenditure which can be financed by borrowing is somehow not burdensome. The fact is that some forms of tax cuts — for example, a cut in the employer's national insurance contribution — would do more next year to encourage employment and restrain inflation than the same sum spent on subsidies or public employment. It is also a fact that high borrowing leads to higher nominal interest rates, perhaps the biggest competitive burden which British industry has to suffer. That is why economy in spending — and in financing costs — remains a pressing need on top of what has already, with the best of intentions, been achieved.

PUBLIC EXPENDITURE WHITE PAPER

ECONOMIC ASSESSMENT

Budget with a missing half

THE CHANCELLOR presented yesterday a document which in most other countries would be called a Budget. The public expenditure decisions he announced will be the most important single determinant of the tax decisions to be announced on April 6. But, because of the absence of the revenue side, the meaning of the whole exercise is quite unnecessarily mystifying; and we must rely on verbal and statistical clues scattered throughout the document.

We are told, for instance, that the ratio of public expenditure to Gross Domestic Product will fall from 60 per cent. this year to 53 per cent. in 1979-80. For years I have complained that this official ratio did not mean what it seemed to, and exaggerated the level of State spending. But it is only now, when the ratio is so embarrassingly high, that the Treasury has taken the point on board and remarks in the present White Paper that the ratio does not compare like with like. Transfer payments—that is, items such as pensions and subsidies—are part of public pending, but not of GDP. For this and other reasons, the much quoted ratio could in principle reach well over 200 per cent.

On the other hand, it will not do simply to leave out "transfers" and concentrate on public spending on goods and services. First, not all transfers are simple cash grants for the citizen to spend on what he likes. Some, such as housing subsidies, are tied to the occupation of a particular council dwelling. Industrial assistance is a deliberate use of taxpayers' funds to push production in a direction desired by the State. Thus they belong more to collective than to private consumption and investment.

Second, and more important, the burden of public spending, as felt by most people, is measured by the extent to which their own real incomes, before adding social security payments or subsidies, are taxed to finance it. The most important single sentence in the White Paper is therefore the one that says: "The tax burden will still increase, but by a manageable amount."

Mr. Healey expressed this vividly at his Press conference by saying that, if the whole tax system were completely indexed so that thresholds fell with inflation but specific duties rose, the basic income tax rate would have to rise by between 2p and 6p by 1979. This would give a marginal tax rate, including National Insurance contribution, of 43 to 47 per cent.

But it is important to realise that the Chancellor was not forecasting this specific change. As the tax system is, unfortunately, not in fact indexed, it is open to chancellors to achieve the same effect by the backdoor—for example by not raising the *personal allowances and the* higher rate starting points by sufficient to offset inflation. Indeed, this has been the pattern in the past and still looks like being so in the future.

ESTIMATED EXPENDITURE CHANGES IN COST TERMS
at 1975-76 out-turn prices

	%
1974-5—1975-6	+3.7
1975-6—1976-7	+2.4
1976-7—1977-8	−0.1
1977-8—1978-9	+0.4
1978-9—1979-80	+0.9

Source: Public Expenditure White Paper

Although the White Peper refers to a long period, there is no reason to expect 1976-77 to be very different. In his hints to the TUC, the Chancellor has never suggested that he could *offset the whole effect of inflation on the tax allowances*; and it would be sad if there were a misconception on the point.

Forget cuts

Our best hope of understanding the White Paper is to forget the word "cuts" completely. There is none. It is a misuse of words to describe in this way the fact that the programmes passing across the Chancellor's desk for 1978-79 were once £3bn. higher than they are now. On this interpretation, the more extravagant the initial bids of the spending Departments, the larger the cuts. I had a dream last weekend of spending £20,000 on a luxurious voyage around the world. Now my bank manager has brought me to my senses, I can say that my spending next year has been "cut" by £20,000 — not a helpful use of words.

But just before I abandon this strange language, it might be worth looking at 1975-76 and 1976-77, the years for which the "originally intended" programmes have the most operational meaning. The new decisions enumerated in the White Paper have raised spending (in "volume terms") by £1bn. and nearly £0.5bn. respectively in these years and these amounts have been increased slightly by the last anti-unemployment package. The supposed "cuts" are comfortably far in the future, starting in 1977-78.

But the important thing is not to look at the so-called "changes" upwards or downwards but at Government spending programmes as they now are. This is not easy. The White Paper gives two alternative estimates of the true burden of the programmes. One is in "cost" terms. This attempts to adjust the global total to allow for the fact that pay and prices rise faster in the public than in the private sector. The other is in terms of estimated "demand on resources," which makes use of standard, but ultimately highly controversial, forecasting techniques.

Neither estimate is related to the tables for the particular programmes. These are on a different basis altogether—the now notorious "volume terms," which make no allowance for changes in relative prices, let alone inflation. This is the archetypal "funny money." But I am certainly not making a plea for dozens of "reconciliation tables," or for "distributing the relative price effect" or any other move towards further complications. The programmes are, for good or ill, controlled in volume terms; and there is no point in pages of figures which do not relate to actual decisions.

On another occasion I will outline for fellow statistical illiterates how I would try to do better. In the meanwhile, the smaller table on this page contains the Government's own estimates of the year-to-year movement of its total spending in "cost terms"—which is the most unfunny money available. The attempt to allow for more rapidly rising public sector costs may go wrong—the worst example was in 1974-75, when it led to an underestimate of £1.7bn. on the Treasury's own subsequent analysis. But in most years it is a good deal better than nothing.

PUBLIC EXPENDITURE: WHITE PAPER ESTIMATES AND ACTUAL OUT-TURN*
at current prices

	£bn. 1972-3	1973-4	1974-5
Nov. 1971	27.234	30.530	37.014
Dec. 1972	27.638	31.680	38.333
Dec. 1973		32.801	39.838
Jan. 1975			42.722
Out-turn	27.393	32.643	43.265

The figures given in successive White Papers have been adjusted as far as possible to the actual price levels of the year in which the expenditure was incurred.

** Derived from 1975 National Income Blue Book. From a Paper to be delivered by Mr. T. S. Ward of the Department of Applied Economics at a forthcoming conference of the Institute for Fiscal Studies.*

The table shows the by now customary hump-backed pattern. A public spending rise of £2bn. (in 1975-76 prices) or 3.7 per cent. is expected in the present financial year; one of £1.35bn. or 2.4 per cent. in 1976-77; and after that negligible increases. If national debt interest were removed, the picture for this year would not look very different, but the 1976-77 increase would also come down to negligible proportions. The White Paper claims that so much of debt interest is saved, or returned in taxation, that it is much less important than the other items.

We have heard too often in the past that certain items of Government spending do not really count only to find that, whether directly or through their indirect monetary effects, they do. One ironical effect of the present reduction in the inflation rate is that the Government—as explained further in the article below—may have to pay a real rate of return to some of its creditors, instead of borrowing for less than nothing. It is a good general principle that, if there is an unplanned increase in some of an organisation's outgoings, whether on debt interest or because the things it buys go up in price "relative to the index," it should have to make economies elsewhere.

But the question which will worry most people is not about measurements. It is simply: how likely is it that the Government will be willing or able to hold to its spending limits? We cannot assume that the estimates will always be exceeded.

The larger table shows the history of previous White Papers, starting from the one which Mr. Anthony Barber published in the winter of 1971-72. This was almost exactly right for the year immediately ahead. But for 1973-74—the year after next on which planning decisions in practice focus—the White Paper underestimated expenditure by over £2bn. in the more valuable pounds of two or three years ago, owing to subsequent political decisions.

For 1974-75, all previous White Papers were hopelessly wrong. In that year, every possible factor contributed: political changes (in a year with two elections), loss of control and a breakdown of the cost estimation system.

Grain of truth

I do not myself expect another explosion of public expenditure to levels above those of the present White Paper, namely because the political climate has changed and suspicious scrutiny of Government spending is now fashionable. But the value of the much-advertised cash ceilings for one year ahead—which should cover over half of total spending—has been heavily overrated. They depend for their effectiveness almost entirely on the pay policy's sticking and on Whitehall's being able to foresee the other elements in money costs. We know from previous pay policies that this becomes more difficult once "Phase One" is over. Local authorities have already been told that they will be able to reopen the ceilings if their costs rise "substantially" above plan, and similar assurances have now been given to the Health Service.

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DEBT INTEREST

A painful reawakening

THE BIGGEST single change by far in projected public expenditure between last year's White Paper and this year's is neither a cut nor a policy change: it is an increase of no less than £3bn. in the forecast cost of servicing the national debt. The real cost of interest payments, which last year was seen as falling gently, is now shown as rising by 50 per cent. to £7.5bn. over the next three years—probably something nearer £10bn. in real money rather than "1975-76 prices." This simple outcome of compound interest was worked out in these pages some months ago, and Treasury officials now admit that their previous guesses — made before it was realised that the borrowing requirement for 1974-75 would rise to more than £7bn., let alone that it would grow further this year to £11bn. or more—were grotesquely wrong.

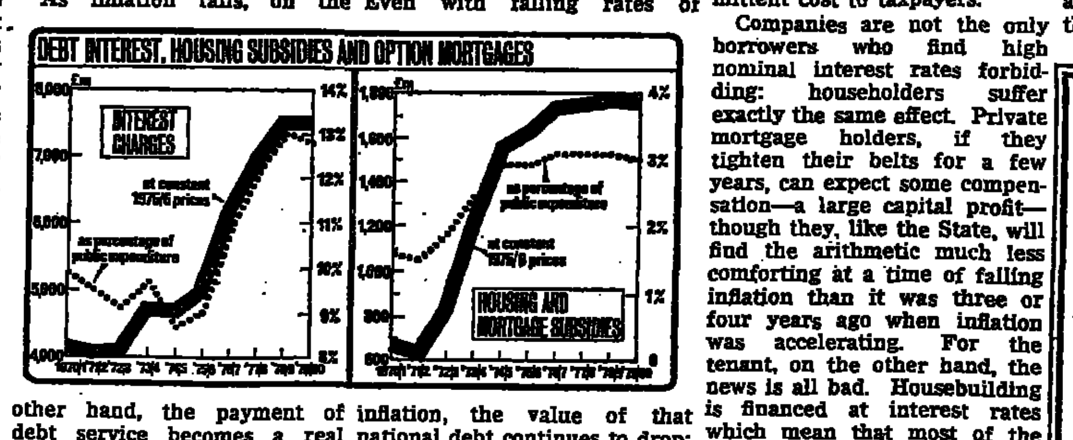
Other way

One of the strongest reasons for the change in forecast, ironically enough, is not the failure of Government policies but their success. Falling rates of inflation, as the White Paper points out, must greatly increase the real cost of paying interest on the national debt. The trouble is that the debt consists quite largely of bonds issued in the past, which bear an interest cost related, among other things, to the rate of inflation when they were issued. As long as inflation was accelerating, this lag worked in the Government's favour: holders of old debt were not only losing the value of their investment but receiving an income which fell far behind the going rate of interest — a fact reflected in the long bear market in gilts. The result was that, while debt interest in money terms went up from £2bn. in 1970/71 to £3.8bn. in 1974/75, a rise of 90 per cent., its real cost, after allowing for inflation, increased by only 15 per cent. The rest was cheating.

On the way down, however, the trick works the other way. It is the Government which finds itself locked into inappropriate interest rates: holders of national debt will receive some compensation for their losses in the past as falling interest rates offer a financial profit and running yields offer some margin over the rate of inflation.

If one considers the whole position of investors in real terms, the tax consequences largely explain themselves. In the words of Mr. John Flemming, an economist who recently worked for the Bank of England: "With rapid inflation established, a neutral demand *management policy requires a* budget deficit in conventional terms because the accounts include as expenditure interest on the national debt, which is no more a real cost to the authorities than it is real income in the hands of a bond-holder whom it fails to compensate for the fall in the real value of his asset." In other words, the size of the deficit which is at present necessary to prevent the economy collapsing has a great deal to do with the rate of inflation and the size of the debt burden.

As inflation falls, on the other hand, the payment of debt service becomes a real cost again. The rise in the burden in this sense is much more than the 50 per cent. increase shown in the White Paper. For debt holders, once they are receiving a real income, will want to spend at least a part of it. At the moment it is safe to borrow the money to pay debt interest, since the interest is saved. This will not be true when inflation falls.



The burden on the taxpayer, then, is not rising from £5bn. to £7.5bn. as the figures in the White Paper might suggest: it is rising from zero to anything up to £7.5bn., depending on how large a deficit the public sector can prudently run five years from now.

However, even in good times those who receive interest on Government stock — held in large quantities, for example, by pension funds and insurance companies—will save a good proportion of their income. Furthermore, part of the Government's borrowing is as a financial intermediary — to finance lending to industry and on local authority mortgages, for example. The Government receives interest as well as paying it. Part of the cost of debt service, and probably the whole of the £1.5bn. annually which is lent on to industry or spent on company securities in the course of nationalisation and rescue operations (this total is shown as very steady through the five years) is normally financed by borrowing. A second implication of the figures is, therefore, that public sector borrowing, though it is to be "restored to a more normal relation to GNP," will remain high by any but recent standards for as far ahead as can be seen.

This probably means a reduction from the current £11bn. to about £4bn.-£4½bn. (at current prices) by the end of the period.

This borrowing, unlike the tax burden, is not altogether a "real" charge on the economy. Even with falling rates of inflation, the value of that national debt continues to drop; a certain amount of borrowing simply maintains the national balance sheet in the same way that, as a result of inflation, a bank has to raise new capital to maintain its own capital ratios. The payment of interest to bondholders out of taxation is a transfer of real income from the community in general to one group, and squeezes resources: borrowing to finance lending, or even to finance interest payments which are reinvested, is largely a circular transaction. All the same, persistent borrowing will add to the problems of monetary management, and is likely to demand rather higher interest rates than would otherwise be necessary: in this way the deflationary effect of past excesses lingers on. It is worth remembering that in 1932 one of the most important achievements of Neville Chamberlain, the then Chancellor, was a reconstruction of the national debt which greatly reduced debt interest and, as a result, interest rates in general. It is equally clear that any financial operation which would help the debt interest burden to fall more rapidly as inflation abates would be a great help in the next few years—whether by indexation, floating rate debt, the issue of low coupon stocks at a discount, or by any other means which might suggest itself.

The essential aim of any such operation is to push the claims of savers further into the future: for high nominal interest rates are essentially a way of repaying capital—adequately or inadequately—in the form of income. Since savers are on the whole concerned with future capital values, this suits neither party. As companies have found, paying high interest rates can lead to insoluble liquidity problems even if the rates are lower than the rate of inflation —or negative in real terms, as some economists like to argue. The State cannot run out of money, and tends to overlook this problem—at a heavy intermittent cost to taxpayers.

Companies are not the only borrowers who find high nominal interest rates forbidding: householders suffer exactly the same effect. Private mortgage holders, if they tighten their belts for a few years, can expect some compensation—a large capital profit—though they, like the State, will find the arithmetic much less comforting at a time of falling inflation than it was three or four years ago when inflation was accelerating. For the tenant, on the other hand, the news is all bad. Housebuilding is financed at interest rates which mean that most of the cost is paid off, in real terms, very rapidly if inflation continues. As inflation slows down, his situation is still worse, for he can no longer expect his income to overtake the interest on the historic cost of the house. The real burden of the outstanding debt, and the interest on it, remains high.

The rapid rise in nominal interest rates while inflation accelerated is a large part of the reason for the enormous rise in the housing subsidies in the present decade — the White Paper shows that they grew by 233 per cent. in the five years up to 1974/75. This reflected the effective acceleration of re*payments as interest rates* went up. For the next five years the growth is projected to be much slower—a matter of 13 per cent.; but this can be achieved only by squeezing the tenant. This is simply because, as building continues, a greater and greater proportion of the outstanding debt will bear relatively high interest rates. Again, only a different mode of financing—or a cessation of building altogether—would relieve existing tenants of this burden. At the moment, the Government's intention is to accelerate the building of new houses, but the financing of housing is undergoing a comprehensive review within the Department of the Environment. Could it be here that the official mind will first acknowledge the high real cost of high nominal interest rates, the monstrous fly in the balm of falling inflation?

Anthony Harris

PUBLIC EXPENDITURE WHITE PAPER

POLITICAL ASSESSMENT

Goodbye to old slogans

; APPEARANCE of the ic expenditure White Paper e final and most convincing of the demise of post-war, al Democratic orthodoxy. triple pillars that have sup-ed the Labour Party of e, Gaitskell and Wilson—Welfare State, full employ-t and the mixed economy—crumbled under the blows flation and the White Paper esents, as it were, a erate attempt to hold up roof with crude and un-ly timbers. The question sue is now whether the bitants prefer to live in the ing structure, however un-ortable, on the grounds it is home, or whether they d rather sweep the whole away and start again.

is political debate will be icted on two separate s—the practical and the etical—and the fact that er necessarily has strict spondence with financial economic reality does not l undermine its signifi-. Purists may point out he "cuts" now being made rely notional in that they nostly merely changes of but it has to be accepted, ularly by those who talk ich about the "revolution ing expectations" and the pass to which it has ht us, that the political quences of snatching back ises" can be dire in the ne.

we take the practical on first, the crux is (to the American phrase) e ox is being gored?" In l terms it is almost cer-o be middle-range wage alary earners who will off best. It is no accident a strange and almost l alliance has sprung up Commons Expenditure ittee in the past few s between Tory monetar-nd left-of-centre Labour ters, united in their m of the Treasury and dency to unload the con-ces of economic difficulty from the public sector onto the private. An exercise calculated to give the Chancellor more elbow room in which to lighten the financial burden on industry and on the skilled industrial worker (whether he wears a blue collar or a white one) is bound to win considerable support and votes.

The practical difficulty for the Government is going to come from the direction of the relative sufferers—not so much the poorer worker who does not have such high expectations (or any other political home to go to) as from workers in the public sector who may now feel that they have been singled out for special punishment. It is not only the cuts in civil service manpower that are at issue here but the enormous proposed retrenchments in the local authorities and other white collar sectors of the public service.

The most dangerous and immediate problem arising out of the White Paper will, therefore, be the attitude of such unions as NALGO, NUPE and the various civil service unions. About half of the majority at last year's TUC in support of the Government's incomes policy came from these white collar unions, and it now seems quite possible that it will not be forthcoming when the successor to the £6-limit is discussed. If these white collar workers in the public sector are joined by other non-clerical employees affected by the public expenditure cuts—railwaymen are the most obvious example—the whole Government strategy could be in serious trouble.

Faced with this danger, the Government must rely on the more general support of public opinion for the whole exercise and on the negative hope that the Labour Party itself no longer regards public expenditure as the Ark of the Socialist Covenant. It will be possible to face a summer and winter of confrontations in the public sector only if these two conditions are met.

So far as public opinion is concerned the Government probably has little to worry about. There is every sign of a wholesale revolt against "big government"—ranging from widespread attacks on the civil service to demands for devolution. Emotionally the ground has been prepared by the rigours of inflation and recession. Intellectually it has been watered by the Conservatives and the fashionable anti-Keynesianism of the monetarist school of economics. The question here is much more likely to be whether the Government has actually done enough to satisfy the public desire for "drastic action." The Conservative line which will undoubtedly be that the cuts are not enough and that anyhow the Socialists have pinched their clothes while they were bathing, may win some political mileage. The Conservatives are, after all, the party which is actually supposed to believe in this kind of thing. But on the whole it seems likely to be the Government who will gain and not the Opposition.

In the medium run, however, the Government's ability to survive will depend on the attitude of its own rank and file, in Parliament and in the constituencies, to an overt attack on so many cherished notions of what socialism is about. It was the combination of Mrs. Barbara Castle's attempt to discipline the trade unions and Mr. Roy Jenkins' orthodox campaign to restore the balance of payments that caused so much bad feeling among Labour supporters in 1969 and, arguably, the loss of the 1970 election. The issue is now whether high unemployment and a massively publicised attack on public expenditure will have the same effect in 1976 or 1977.

PUBLIC SPENDING IN 1978-79: % CHANGES SINCE PREVIOUS PLANS

at 1975 survey prices

Defence	−4.2
Overseas aid and other overseas services	−5.8
Agriculture, fisheries and forestry	−24.2
Trade, industry and employment	+30.2
Nationalised industries' capital expenditure	−10.0
Roads and transport	−21.4
Housing	−8.3
Other environmental services	−10.1
Law, order and protective services	−7.1
Education and libraries, sciences and arts	−9.3
Health and personal social services	−2.7
Social security	+0.4
Other public services	+8.7
Common services	−6.4
Northern Ireland	−3.4
All	−4.4

Painful irony

Anyone with a morbid taste for painful irony may compare the first few pages of the White Paper with, say, Labour's 1964 election manifesto. More poignant still is the comparison between the speech in which Mr. Roy Jenkins told the Anglesey CLP the other day that you cannot push public expenditure much above 60 per cent. and still "maintain the values of a plural society" and his expansionist tract (*The Labour Case*—Penguin) for the 1959 election. All the old slogans about "the language of priorities" and "private affluence and public squalor" have disappeared and are replaced by bleak admonitions about "popular expectation to improve public services and welfare programmes." There is not even any attempt to defend high public expenditure in principle (on the old lines that it can be redistributive or that transfer payments can actually increase freedom of choice) while regretting the temporary necessity of cutting back.

Socialist purists may perhaps get some consolation from the accompanying table. Defence has got off lightly but then so has house-building, overseas aid and the Health Service. Education has been clobbered, but students are a scruffy lot and, anyway, cars have copped it as well. It is uncomfortable that a lot of money will be going to private industry but a lot of it is going with strings attached and it is manual jobs that count. But in the last resort most people know that the attempt to impose rational priorities—whether socialist or pragmatist—was not much less rudimentary and unsatisfactory than ever. A vast haggle took place between departments and the Treasury and the most determined Ministers, on the whole, came off best.

No. If the Government escapes serious criticism from its own supporters it will not be because it can claim to have maintained some tatters of socialist principle, but because of three other factors. The first is the general doom-laden climate already alluded to. The second is the fact that public expenditure has become the symbol of the House of Common's collective desire to reassert control over the Executive. And the third is that the cuts, if they ever come, are still a long way off.

David Watt

IDUSTRIAL STRATEGY

The contradictions that remain

IE year since the last expenditure White Paper, been industry that has d the hearts and minds tehall and the Chancellor. overnment's new indus-policy has promised a on of resources into the ial sector. The Depart-of Industry and the y have combined to pro-more selective and profit-d approach to industrial ice. But the Government e ahead with its ambi-lans for establishing the l Enterprise Board and itish National Oil Cor-n and for nationalising pbuilding and aerospace ies.

the whole, yesterday's Paper confirms these nes of policy. But where ails are concerned it is from resolving some of ntradictions within the

...rked rise

l the sectors of public ture, only the "trade, and employment" , together with social , shows any marked rise the period under review mpared with last year's ture estimates. It is trade lustry which shows the growth, up £578m. in £478m. in 1977-78 and in 1978-79. Even in total terms, expenditure on idustry and employment, xpected to fall slightly 1975-76 peak of £2.6bn. s coming years, is still the few sectors to hold ion in the period up to

major factors in this per annum increase in l expenditure since last stimates have been the nment of the National ise Board (notionally n at £225m. a year from t financial year on the dividing up the £1bn. e under the Industry 75); the rescue opera-r Leyland, Chrysler and under Section 8 of ustry Act, 1972, which pected to add £92m. ear falling to £69m. 8-79; and the intro-of a variety of new nded industry schemes ecelerated investment e, which will add £70-£158m. over the years, plus some recent s in sums available for ng and job creation.

major elements in the igure—regional support, nctioning of the labour (industrial training, ncy fund payments etc), rnational trade (ECGD etc.)—are predicted to remain fairly steady through the period, ending up slightly higher in 1979/80 at between £400m. and £600m. each. This implies that the regional employment premium, now under review, will be kept broadly at its present levels after it runs its present course in 1977, and that the cost escalation guarantees for exports will add only a marginal sum to expenditure.

On the other hand, the other major categories—industrial innovation, general support for industry, and support for the nationalised industries, for example—are generally predicted to show a sharp fall in expenditure which more than compensates for the added cost of the NEB. This view is partly based on the decision to phase out price restraint in the nationalised industries, which resulted in the payment of some £640m. in the last financial year in compensation, partly on the fact that development and production costs of the RB211 and Concorde projects are nearly at an end, partly on the belief that several of the current industry and accelerated investment schemes are essentially of medium-term nature and will not be needed in the latter part of the decade, and partly on the hope that Section 8 assistance will not be needed in the future in the same way as it has been in the last year or so.

This certainly fits in with the Government's view that the main impetus of industrial assistance should be during the recession and the period of pick-up rather than at the peak and the view of some Treasury officials that aerospace has absorbed more than its fair share of public resources in the past. But whether it will actually work out like that is debatable. Rolls-Royce is now pondering on new and expensive engine developments, albeit in partnership with U.S. manufacturers, as are the airframe manufacturers. The hope that there will be no more Chryslers is just a hope and Lord Ryder has been able specifically to exclude Section 8 type of assistance from the NEB allocation. Companies, including Rolls-Royce, which might need special rescue or support operations will have this part of their financing separated from the NEB funds, which are for the provision of working capital. Schemes such as the £100m. investment acceleration scheme may be specifically anti-cyclical but experience has tended to show that broader assistance such as regional support grows with the upturn not declines, as the Government's figures imply.

The same could be said of spending on nationalised industries—the other major area of public expenditure on industry. At this time, the Government foresees an overall decline in nationalised industry spending compared with last year's estimates because lower demand forecasts necessarily mean lower planned expenditure, particularly on power stations. The Government is able to argue that the rise in the current year compared with the 1975, estimates, is due largely to extensive stockpiling of steel and coal.

But it dodges the issue of how large a drain the nationalisation of the aerospace and shipbuilding industries will prove on the public purse by the broad statement that the initial purchase cost does not represent an additional expenditure as such, being covered by the issue of Government stock.

On the spending side it puts in the fairly modest prediction that capital expenditure by the two new corporations combined will amount to no more than around £30m. in 1976-77, rising to £70m. in 1979-80, and assumes that expenditure by the British National Oil Corporation, estimated at £200m. in 1975-76 and £250m. the year after, will prove to be neutral in net terms thereafter. All this may be true in pure expenditure terms—although the forecasts for the new corporations would seem on the low side—but it is difficult to believe that support for either aerospace or shipbuilding can be kept within the modest and declining figures predicted in the industry sections.

Most of these items are not included because, at the moment, no realistic figure can be put on them. But unless some radical reversal of past trends occurs, they are likely to form a very substantial drain on the Government's contingency allowances.

Adrian Hamilton

SOCIAL SERVICES

Little healthy questioning

SPENDING ON health and social security will go up, not down. The arithmetic in the White Paper suggests an increase between the current financial year and 1978-79 of 4.6 per cent. in "volume terms" (that is, in the unreal world of no price increases), or 6.4 per cent. in "cost terms" (that is, in the slightly less unreal world in which some but not all price increases are allowed for), and heaven knows how much in honest cash-money terms. Even these increases must be taken with the pinch of salt applicable to such projections: after all the overspend on social security since the 1975 White Paper was published is £173m. net of price increases.

This element of expansion in two of the most costly programmes must have an effect on the overall growth of public spending. Excluding debt interest, health and social security account for 31.8 per cent. of 1975-76 expenditure. By 1978-79 the two together will take up 34.75 per cent. by volume of the whole, if their growth is kept within the boundaries now assumed—and possibly more if past experience is any guide. Each part of this immense welfare budget is likely to have an expenditure-push effect.

Take social security first. The Government has decided that this cannot be cut, since it is "user-related." All existing commitments remain firm. This means that pensions and other long term benefits will continue to be increased *in real terms*, in accordance with the statutory obligation to raise them in line with earnings (or prices if those are higher). The White Paper provides for an extra £150m. in 1976-77, rising to £450m. in 1978-79 (all at 1975 prices), to give a "broad indication" of the likely cost of this.

The cost of one major commitment cannot even be guessed at this stage. The new child benefit, to be introduced in April, 1977, will replace family allowances, an interim child benefit (costing £19m. in 1976-77) and child tax allowances. Its rate has not yet been settled; the White Paper points to the contingency reserve as the source for funding any net extra cost. These and lesser increases (like the higher earnings limit for retirement pensioners) are all additional to the unavoidable expansion of the social security budget caused by, say, the addition of 2?0,000 pensioners to the rolls by 1978-79, or the unpredictable fluctuations in the number of unemployment benefit claims.

Costly

Similar pressures are given as the reason for the growth in spending on health and personal social services. A larger number of old people, with more of them living longer, will be more costly to treat even if a reduction in the child population is offset against this. Mrs. Barbara Castle, may be understandably pleased at the way in which the demands of her Department have apparently blunted the Treasury's "cutting" edge, and from the point of view of the morale of the NHS she may be right.

The hospital capital programme is being pared to a minimum, but the provision of new health centres will continue, and primary care—the family practitioner service—is being expanded. The Treasury has undertaken to treat the carry-over of year-end underspending by Regional Health Authorities more flexibly (the allowable amount is up from 0.25 per cent. to 1 per cent.), while switches from revenue to capital spending will be similarly eased.

By using these seemingly small but important technical changes the Department will be able to increase the transfer of spending power to the previously "deprived" regions by more than the maximum 2½ per cent. first allowed for in its new redistributive schedule. Thus next year will see no growth in the allocations to the four London regions and Merseyside, while Wessex, Trent and East Anglia will all get 4 per cent. more and the remaining regions will get increases in between. The Department is also introducing cash ceilings on revenue expenditure (it already controls capital outlays), but the health authorities will no doubt have noted that if the rate of inflation substantially exceeds the Government's estimate these will be reviewed.

In conventional terms, therefore, Mrs. Castle has done well for her Department. What she has not done is ask searching questions: Is it really necessary to increase per-patient spending in Wessex to London's level, or might it be possible to reduce London's level to that of Wessex without affecting anyone's health? Why does the number of prescriptions increase by 9.5m. a year? Is this not the time for a root-and-branch inquiry into the apparently unstoppable growth of spending on health, personal social services and social security?

Joe Rogaly

MEN AND MATTERS

The battle lines

It has not been the kindest of weeks for those who work on or support the railways. First came the plans for yet another round of fare increases: then, in a macabre juxtaposition of news, confirmation of widespread service cuts; and finally yesterday's expenditure White Paper re-stating subsidy restraints. The threats perceived to the rail system have led to some unusual alliances—not least the smoothly presented and unified opposition of the rail unions.

Last autumn, the unions became alarmed at the scale of economies British Rail appeared to be proposing, and initiative for joint opposition appears to have come from Sidney Weighell of the National Union of Railwaymen. (The NUR, with 172,00 members, is rather more than twice the size of the Transport Salaried Staffs Association and six times as big as ASLEF, the drivers union.

Earlier last year, Weighell had got to know Richard Faulkner, self-described as a "public affairs consultant." An important element of his publicity firm, is the presence as a non-executive director of Will Camp, a seasonal specialist in maintaining corridors of power contacts.

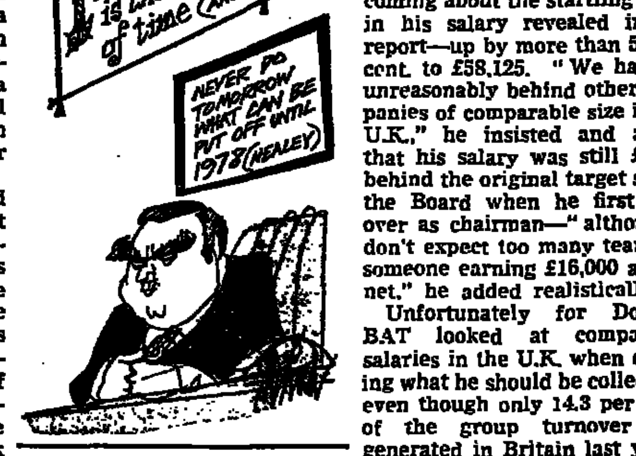
So the team of Faulkner and Camp—though Faulkner, it must be said, is the one in evidence for this campaign—was engaged by the unions and the "No to Rail Cuts" crusade started. Instead of reporters clustering in the chill evening-air outside the front door of either British Rail or the individual union headquarters, the union leaders were this week paraded for fare rise questions together at a smart London hotel.

In the background is a body called Transport 2000, which probes around among the complex figures and plans produced on BR's future.

Faulkner describes Transport 2000 as providing "ammunition for us to fire." Leading the bullet makers is Mike Harris, a 30-year-old social scientist who is the group's director. The rail unions back the organisation, as do 22 local organisations, which Harris sees as the prime strength, and 22 national ones like the Women's Institutes and Friends of the Earth. Harris operates from an office near London's Victoria, and says the annual budget is less than £5,000, tiny indeed compared with more than £100,000 spent on campaigning by the roads lobby.

The American-style reference to 2000 relates optimistically to a nicer future, though Harris admits that on present indications, public transport will be "a lot worse by then." He is rather dismissive of a similar body called Transport and Environment Group, which claims 28 supporting groups, many of them 2000 backers.

Proclaiming a non-political line, Transport Environment excludes union support and is the brainchild of Peter Mansbridge, an earnest Surrey bank cashier. Desecration of the countryside seems his particular worry, and his latest contribution to the whole debate, he says, is to push for fares to be tax deductible. He works a few villages from home, commuting by a rather zig-zag route on trains and buses. "I detest cars," he explains.



Consorting for Norton

Whatever else has happened to the troubled Norton Villiers Triumph motor-cycle plant at Wolverhampton, a business now in liquidation, the place has been brightened by the occasional presence of some colourful people. The ample form of Lord Hesketh, recently forced to disband his racing car team, was around just before Christmas, and now Ronald Titcombe is on the scene.

Titcombe is heading a consortium which is said to include Hesketh and to have offered £4.25m. for the plant. He began negotiations with the liquidator yesterday. Titcombe is a 45-year-old fourth generation Australian, whose company, called Arunta after the oldest aborigine tribe, was involved in the first port and other oil support facilities at Peterhead, north of Aberdeen. (Arunta claims consultancy branches in four continents, and Titcombe commutes around them from a house in Scotland. Not bad, considering that he only got started in 1970 when he quit the Australian navy.)

BAT man

Sir Richard Dobson, due to retire as chairman of British American Tobacco next month, yesterday met the Press for his last appearance as far as discussing the BAT annual report is concerned. He stuck firmly to BAT-related matters, and was quick to fend off speculative questions on the possibility of accepting the chairmanship of British Leyland which became vacant with the untimely death of Sir Ronald Edwards. "I am not prepared to discuss anything which might happen after I retire," was his only comment.

He was however more forthcoming about the startling jump in his salary revealed in the report—up by more than 50 per cent. to £58,125. "We had got unreasonably behind other companies of comparable size in the U.K.," he insisted and added that his salary was still £7,000 behind the original target set by the Board when he first took over as chairman—"although I don't expect too many tears for someone earning £16,000 a year net," he added realistically.

Unfortunately for Dobson, BAT looked at comparable salaries in the U.K. when deciding what he should be collecting, even though only 14.3 per cent. of the group turnover was generated in Britain last year.

When he last looked, 18 months ago, there were 43 executives working for BAT overseas earning more than Dobson. Highest pay goes to the chairman of BAT's U.S. tobacco subsidiary Brown and Williamson (Kool, Viceroy, Raleigh), E. P. Finch, but the group is not saying just how much he earns.

Easy for some?

Car stickers provide amusement from time to time, but the latest I have seen is a purely amateur job. Painted on the back of a beaten-up Morris was a hand-painted sign which said, "My wife and I chose a Facel Vega but . . ."

Observer

COMPANY NEWS + COMMENT

Wedgwood sales and profit expansion

ON SALES up from £27.18m. for 39 weeks to £36.13m. for 40 weeks (to January 3, 1976), pre-tax profit of Wedgwood advanced from £3.67m. to £5.21m., after £3.12m. for 27 weeks, against £2.28m. for 26 weeks.

The chairman, Sir Arthur Bryan, says that, although there are signs of some slow growth in most markets there are still many economic circumstances that impede a strong surge of new business.

Even though the final quarter of the financial year will not be as buoyant as the previous ones, he believes the year will be a good one for Wedgwood with profit showing "an appreciable advance" on last year's £4.93m.

Looking ahead, he expects further strong development.

Stated earnings per 25p share rose from 14.33p to 16.48p for the 40 weeks on capital increased by the March 1975 rights issue.

	40 wks. 1976 £000	39 wks. 1974 £000	Year 1974-75 £000
Third party sales...	36,125	27,158	36,751
Operating profit ...	5,723	4,059	5,549
Interest charges ...	517	385	619
Profit before tax ..	5,206	3,674	4,930
Taxation	2,743	1,872	2,273
Extraord. credits*	242	†730	†752
Attributable	2,705	1,072	1,905

* Mainly adjustments in value of net assets and borrowings overseas due to fluctuations in exchange rates. † Debits.

Profit in the third quarter increased to 15.6 per cent. of sales making the average for forty weeks 14.4 per cent.

The important U.S. market showed firm signs of recovery in December and it now appears that 1976 should see a continued improvement there. At home, London and the South remain good markets but in the provinces sales are relatively static.

● comment

Despite earlier expectations that the third quarter of 1975-76 would see an easing in the growth trend Wedgwood's performance during that period has been the best of the year so far and the shares jumped 8p yesterday to 220p. Profits rose by 49 per cent. pre-tax in the 13 weeks to January (compared with respective increases of 44 per cent. and 29 per cent. in the previous two quarters), reflecting the continued benefits of the August price rises as well as maintained volume growth in Europe and the U.K. and the beginnings of a recovery in the U.S. With more than 62 per cent. of total output going overseas the group's growth prospects are vulnerable to tough conditions in the international monetary markets and Wedgwood is expecting some slowdown in the growth rate in the final 12 weeks. Even so, demand has shown no sign of slackening yet and a full year profit of around £6¼m. pre-tax should be well within reach. That provides a prospective p/e of 10.7 and covers a maximum dividend yielding 3.8 per cent., 3¼ times.

INDEX TO COMPANY HIGHLIGHTS

Mid-term fall at Meat Trade Suppliers

Manufacturers and suppliers of sausage casings and butcher's equipment, Meat Trade Suppliers, reports that from turnover for the six months to September 30, 1975, of £4.28m. compared with £3.19m. pre-tax profits declined from £214,356 to £202,013.

Resuming interim dividends the directors have declared a payment of 3.5p net costing £58,208. This has been waived in respect of 960,000 shares. Last year a single payment of 7.15p was made from record profits of £451,814.

Tax for the six months takes £94,916 (£103,974) leaving the net balance down from £110,382 to £107,097.

Chairman Mr. W. C. Austis explains that the small reduction in profit was due to the fact that all the increase in turnover was attributable to the company with the lowest percentage earnings, to the increase in expenses, and to the effect of the exceptionally hot weather on profit of the group as a whole.

Cattle's making headway

ON TURNOVER virtually unchanged at £18.6m. against £18.5m. profit of Cattle's (Holdings) for the nine months to December 31, 1975, expanded from £684,000 to £756,000 subject to tax of £396,000 compared with £358,000.

Pre-tax profits for the third quarter show an increase of 25 per cent. As a result there has been a turnround from a 4 per cent. decrease at midway to a 10 per cent. improvement at the end of nine months.

The directors state that, as as mentioned in the interim report, a modest rate of expansion is being budgeted for, and the aim in the current quarter is for an increase in turnover in the order of 10 to 15 per cent.

The cost of borrowings has continued to move in the company's favour and, with existing bank facilities only being employed to the extent of 60 per cent., the future is viewed with more optimism than during the last 18 months, they add.

● comment

Cattle's third quarter gain of 25 per cent. has more than made up the interim profits shortfall and after nine months, pre-tax profits are a tehth ahead. However, this improvement is more than accounted for by falls of £219,000 and £149,000 in transfers to deferred revenue and interest charges respectively. The slack level of business is also reflected in bank borrowings, which fell, at one point before Christmas, below the level of net worth. The recent uptrend in new business—the group hopes at least to maintain turnover growth at third quarter levels of 10 per cent. or so—is encouraging, but the outlook for consumer spending, given the continuing squeeze on real incomes, is far from clear. Pre-tax profits could reach the £960,000 mark this year, which would provide ample cover for a yield of 5.7 per cent. (assuming the maximum dividend is paid) at 25p, where the share price is nearly 30 per cent. off the year's high.

London and Lomond

Stated earnings per 25p share of London and Lomond Investment Trust increased from 1.72p to 1.91p in 1975, and the dividend is stepped up from 1.7p to 1.85p net with a final of 1.15p.

Gross revenue decreased from £1,078,917 to £870,577, while net revenue rose to £361,296 from £324,141 after all charges including tax of £218,538 (£219,084).

Net asset value per Ordinary share is shown at 70p (39p).

Total assets at market value were £16.24m. (£10.09m.). Total assets and the net asset values are after providing for the premium on repayment of the multi-currency loan which amounted to £40,619 (£442,677). Total assets for 1974 have been adjusted for the partial repayment of $4.01m. of the multi-currency loan in January, 1975.

MK Refrig. improves in second half

A SECOND-HALF improvement from £715,000 to £923,000 helped MK Refrigeration to end the year to November 1, 1975, with pre-tax profit holding steady at £1.36m. compared with £1.40m.

Full year turnover was slightly higher at £9.75m. compared with £9.61m.

The final dividend is raised from 1.1576p to the maximum permitted 1.3511p net for a total of 2.5087p against 2.3152p. The chairman, Mr. M. Komedera, and his wife, have waived final dividend of £28,511.

The directors state that the second-half improvement was due to increased demand for certain products, together with effective action to reduce costs and increase productivity. Demand for products and services continues to be buoyant, they add.

	1974-75 £000	1973-74 £000
Turnover	9,749	9,607
Pre-tax profit	1,359	1,398
Tax	703	683
Net profit	656	715
Extraordinary credits ...	9	—
Retained	516	553

● comment

After two grim half yearly performances, MK has recovered some of its former verve and a second half pre-tax profits increase of 29 per cent. has left only a small shortfall on the year. The hot summer helped bar cooling equipment sales and elsewhere the group has been cutting out unprofitable sub-contracting activity—which tends to explain why margins have fallen by only 4 per cent. on a mere 2 per cent. increase in sales. Exports have risen by a tenth to £1.8m., or 18¼ per cent. of turnover, and the group has sizeable contracts to execute in the Middle East and Germany in the coming year. One, an air-handling plant in Saudi Arabia is worth £¼m. alone. In the U.K., the group has a full order book and sees no immediate threats of further brewery cutbacks. A lower working capital requirement has, meanwhile, pushed cash balances up to £¼m. or so. The shares are yielding nearly 8 per cent. covered 3.7 times at 50p, where the market capitalisation is £3¼m., and having risen by half in the last six months, have good support.

£0.97m. by Allied Insulators

AFTER RISING from £313,302 to £438,609 in the first half, pre-tax profits of Allied Insulators finished 1975 up from £691,000 to £969,000 on turnover of £9.88m. compared with £7.51m.

Earnings are shown to have advanced from 3.3p to 4.64p per 25p share and the dividend total is stepped up from 1.1p to 1.85p net with a final payment of 1.41p.

	1975 £000	1974 £000
External sales	9,882	7,513
Trading profit	1,119	807
Net finance charges ...	150	116
Profit before tax	969	691
U.K. tax	530	373
Net profit	439	318
Extra-ord. debits	62	5
Leaving	377	313
Pref. dividends	21	21
Ordinary	167	99

Direct export sales accounted for 36 per cent. of total external sales. Although trading margins were put under pressure by escalating costs this was mitigated by increased export activity, particularly in the second half when direct exports increased by 85 per cent.

Commitments for capital expenditure amount to £269,000, and in addition, the Board has recently approved additional expenditure of £310,000 for modernisation of the foundry at Tipton Works.

The financial package outlined last year has now been finalised and provides facilities amounting to over £2m. Almost half of this has not yet been drawn and remains available for any further new development opportunity.

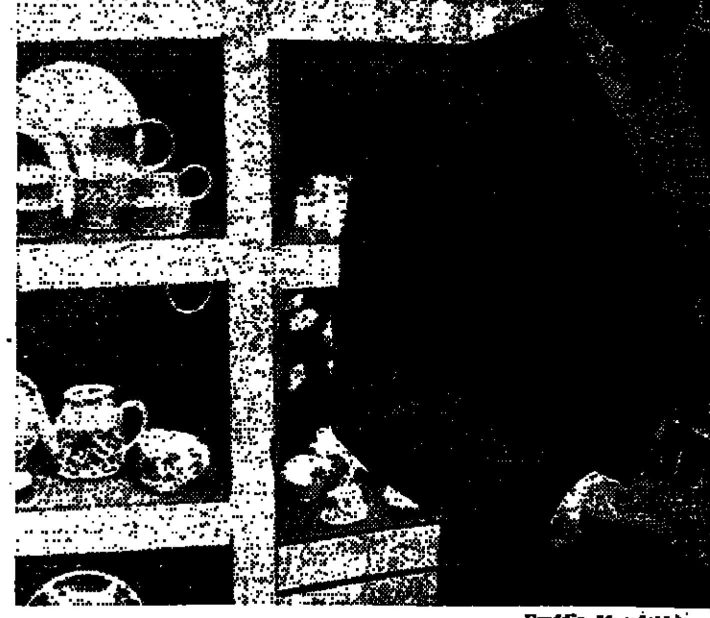
The Board is also recommending that the authorised Ordinary capital be increased by £500,000 to £2.75m. so as to make available unissued share capital to facilitate further expansion and diversification.

Sales for January 1976 were ahead of last year by 30 per cent. notwithstanding the year opening with all plants other than Mason and Burns and Unilator working below capacity, reports the chairman Mr. A. Lloyd.

During 1976, following success in new export markets, Unilator will return to profitability at Ruabon, he says, and the group will also have the benefit of 12 months' trading at Mason and Burns.

It would be hazardous to forecast profits for 1976 in the present conditions in world markets, adds Mr. Lloyd but, provided the recent level of demand does not further decline, growth in profits "will continue to be achieved."

Statement, Page 22



Freddie Mansfield

Sir Arthur Bryan, chairman of the Wedgwood Group.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Insulators	1.41	Apr. 2	0.7	1.85	1.1
Anglo-Intnl. Invest. Trust	1.9	Apr. 3	1.9	2.6	2.6
Berisfords	1.39	—	1.39	1.99	1.99
Brit. Australian Inv. Tst.	0.57	Mar. 26	0.52	0.75	0.70
Cornell Dresses	0.82	Apr. 2	0.82	1.12	1.12
Everards Brewery	1.33	Mar. 17	1.28	2.66	2.49
Fife Forge	3.03	Apr. 23	2.75	4.63	4.26
Fledgeling Inv.	1.5	Mar. 26	1.25	1.5	1.25
Garford-Lilley Industries	0.18	Mar. 30	0.18	—	0.59
J. & W. Henderson 2nd. int.	4.04	Apr. 2	3.79	6.75	6.33
ICI	4.87	Apr. 5	5.02	11.82	11.08
Jos Holdings	0.8	Mar. 29	0.75	—	1.9
London & Lomond Trust	1.15	Apr. 1	1.0	1.85	1.7
Lon. City & Westcliff int.	0.05	Mar. 16	0.05	0.05	0.05
Matthews Hldgs. 2nd int.	1.37	Apr. 2	—	2.47 (a)	2.31
Meat Trade Suppliers int.	3.5	Mar. 24	—	—	7.15
M.F.I. Warehouses ...int.	1.17	Apr. 5	Nil	—	Nil
M.K. Refrigeration	1.35	Apr. 5	1.16	2.51	2.32
Newbold & Burton Hldgs.	1.3	Apr. 1	1.34	2.28	2.35
New Equipment	0.55	Apr. 2	0.57	0.88	0.90
Olives Paper Mill ......int.	0.84	Apr. 14	0.75	0.84	2.45
Reed Executive ... 2nd int.	1.21 (b)	Apr. 21	—	—	4.12
Scot. Eastern Inv. Tst. ...	2.13	Apr. 12	2.03	3	2.9
Trust Houses Forte	5.6	July 1	5.6	7.35	7.35
Turner Curzon ......int.	0.2	Mar. 31	—	—	—
Updown Investment	1.35	Mar. 26	1.25	1.35	1.25
S. W. Wood ....int.	1.51	Mar. 31	1.51	—	3.19

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by right and/or acquisition issues. (a) Total to date for 15 months to January 1, 1976. (b) Making 3.22482p to date.

New York & Gartmore hopeful

The directors of New York and Gartmore Investment Trust are hopeful that the strong performance by Wall Street earlier this year will continue, and that further progress in the company's recovery can be made in the current year, the chairman, Mr. Lewis G. Whyte, tells members.

He reminds holders of his previous statement on the adverse effect on revenue available for dividends in 1975 which would result from obtaining early repayment in October 1974, of part of the Sterling deposit in order to repay part of the U.S. dollar loan.

This has led to the directors recommending a dividend of only 0.3p compared with 0.8p, absorbing £24,000 against £64,000. As already reported, net after-tax revenue fell to £41,967 (£93,493), giving earnings per 25p share of 0.52p (1.17p).

British and Commonwealth Shipping owns 65 per cent. of the company. Meeting, St. Mary Axe, EC, March 15.

£18.5m. hospital job for Taylor Woodrow

TAYLOR WOODROW Construction (Midlands) has signed a contract worth about £18.5m. with Trent Regional Health Authority to build phase II of Nottingham University Hospital and Medical School.

Architects, quantity surveyors and structural engineers are Building Design Partnership (Preston Group); the electrical and mechanical engineers are E. G. Phillips Son and Partners and Revall Hayward and Partners.

The work is to build the north-east block, containing five floors of geriatric, obstetric and paediatric wards; and the south-east block, four floors, for psychiatric and medical wards. Also included are completion of the outpatients' department and finishing of buildings put up as shell only in Phase I.

The buildings are of steel framed girder construction on a 9.6m. grid. Incorporated in them are ten in-situ reinforced concrete service towers containing stairs and lifts, making a total of 31 in the project.

S. W. Wood midway setback

ON SALES almost halved at £6.4m., group pre-tax profit of non-ferrous metal merchants, processors and smelters, S. W. Wood Group contracted from £733,000 to £216,000 in the six months to September 30, 1975.

Stated earnings per 20p share decreased from 5.7p to 1.9p. As before the interim dividend is 1.5075p net—last year's total was 3.191p from profits of £986,254.

The chairman, Mr. A. N. Bolsom, says the first half results must be considered in the light of the home economic situation, which resulted in abnormally low levels of demand from domestic consumers and a corresponding narrowing of margins. As foreshadowed greater attention has been paid to the export trade which for the period accounts for almost 20 per cent. of turnover.

Indications for the current half are that there has been a marked improvement in the volume of home trade, but its inconsistency suggests it is too early to comment as to whether this will be sustained, he adds. Export turnover has continued at a satisfactory level.

	Half-year 1975 £000	Half-year 1974 £000
Sales	6,400	12,200
Trading profit	199	733
Dividends	17	—
Profit before tax	216	733
Taxation	103	381
Minority	—	21
Attributable	113	331

Mr. S. W. Wood has waived his right to the interim in respect of his personal holdings of 3,295,903 shares. Taking this into account the dividend will absorb £37,966.

● comment

A 30 per cent. fall in volume for S. W. Wood in the first half was in spite of higher exports sales, so underlining the extent of the slump in home demand for metals. Trading profits fell by 73 per cent. and even the specialised Minwood rare metals extraction subsidiary made its first loss. This left the group with trading margins reduced to a minimal 3 per cent. and a high stocks level increasing the overdraft to £2m. currently against £1.5m. at the end of March, 1975. With this kind of legacy, the company is unlikely to muster sufficient business before March to improve on last year's total—depressed as that was. Nevertheless, the second half should look better. An indicated upturn in demand from heavy industry, if sustained, could reduce stocks quickly—especially if aided by the influence of price rises for some metals, such as copper. This justifies expectations of a total dividend at least unchanged from last year giving a yield of 13.4 per cent. on the shares at 38p. The shares had an asset backing of 57.5p at the end of last year.

Downturn at Witan Investments

FOR THE NINE months ended January 31, 1975, Witan Investments reports gross income of £3.07m. against £3.15m. and a decline in net revenue from £986,754 to £919,784.

Earnings are shown to have dropped from 1.48p to 1.08p. As known the interim dividend is 0.75p (same) net—last year's total was 1.5p from revenue of £1.25m.

Interest and expenses for the nine months took £1.55m. (£1.68m.) and tax £568,061 (£486,680).

Net assets per share at January 31 are shown at 97.6p compared with 87.7p at April 30, 1975, including full investment currency premium per share of 20.3p (25.3p). Contingent surrender of 25 per cent. currency premium per share was 4.6p (6p).

Amalgamated Distilled

Holders of Amalgamated Distilled Products 9 per cent. Unsecured Loan Stock 1992/97 have approved the extraordinary resolution to authorise the company and the trustee to enter into a supplemental Deed.

This provides that the existing basis of reduction of conversion price of the Loan Stock is deleted, and that in lieu a clause is inserted to the effect that if the company has a rights issue, holders of loan stock will be entitled to participate on the basis that their loan stock had notionally been converted at the current conversion price.

New Equipment off £50,000

On turnover down from £1.30m. to £1.24m. profit of New Equipment fell from £151,772 to £100,878 in the year to October 31, 1975, subject to tax of £51,971 compared with £87,430. Half-time profit was £70,395 against £78,234.

A final dividend of 0.5525p net per share, against 0.5695p, makes 0.8775p compared with 0.9045p.

The company manufactures and designs tubular steel furniture.

ISSUE NEWS

Allen Balfour £2.…

1-for-3 rights

Edgar Allen Balfour, an engineering holding company with interests in steel, foundry and forging, intends to raise some £2.85m. by a rights issue on the basis of one-for-three at 60p per 25p share.

The directors say it considers the time appropriate to undertake a major programme of capital expenditure estimated to cost £1.6m. in order to increase capacity and profitability at the drop forging and metal manipulating subsidiary, George Turton, Platts.

Also, they are considering an even larger and more significant investment for special steels business. These proposed investments are in addition to the n… of capital expenditure…

Last November Ed… Balfour reported pre-… of £1,496,000 for the ha… now the directors are … approximately £3.2m. f… year to March 27, 197… basis it is the intention… mend a final dividend… —for which the new … rank—making a total … compared with 3.46p… Treasury consent … granted for this increa…

The issue is under… Hill Samuel and br… Rowe and Pitman, H… Dealings will comm… Monday.

Mitchell Somers £…

Mitchell Somers, engineers and forgemasters, is proposing to make a rights issue to raise £536,000 on the basis of one-for-ten at 19p per 10p share.

The 2,960,715 new Ordinary shares to be issued will not rank for the interim dividend of 0.43p per share net already declared, but will rank for the intended final of 0.85p making a total of 1.28p against 0.948p. The Treasury has granted its approval for this dividend increase of 36.5 per cent.

After a first half advance in pre-tax profits from £443,000 to £603,000 the Board is now forecasting that, subject to unforeseen circumstances, pre-tax profits for the full year to April 3, 1976, will not be less than £1.35m. compared with £1.18m. previously.

Net proceeds of the issue will be used to buy new plant and to finance an expansion of overseas sales. Johnson and Firth Brown, the Throgmerton Trust, and each of the directors of Mitchell Somers, are to take up their entitlements in respect of 36.3 per cent. of the issue.

The issue is under… Keyser Ullman and … Rowe and Pitman, B… and Smith Keen Barr… ings start next Tuesd…

Scottish Eastern pays mo…

FOR THE year to Janu… Scottish Eastern Invest… reports gross revenue … against £3.49m. and … ings per 25p share … 3.24p to 3.1p.

The final dividend is … 2.025p to 2.125p net, … total for the year of 3p … with 2.9p.

Net asset value per … deducting prior charg… was 148p (96p) and pri… at market value 155p (…

RESULTS AND ACCOUNTS IN BRIEF

CORNELL DRESSES—Final dividend 0.82p making 1.12p net (same) per 5p share for 1975. Group turnover £1,691,920 (£1,426,380). Profit £124,858 (£119,195) less tax £73,209 (£60,685). Dividends £23,600 (same). Forward £297,900 (£279,851). Earnings per share 1.72p (1.95p).

JOS HOLDINGS—Investment income for six months to January 31 £58,740 (£56,181 and £132,604 for year to July 31, 1975). Other income (deposit interest and underwriting commission) £8,818 (£10,008 and £20,838). Management expenses £8,109 (£5,576 and £12,882). Interest expenses £183 (£128 and £197). Taxation £21,981 (£23,400 and £56,282). Net earnings £37,295 (£37,085 and £85,101). Equivalent per 25p share 0.91p (0.90p and 2.07p). Valuation of investments (including net current assets) at January 31 £2.6m. (£1.7m. and £2.1m.). Net asset value per share 62½p (42½p and 51p). Interim dividend 0.8p (0.75p and 1.9p total) absorbing £32,869.

FLEDGELING INVESTMENTS—Dividend 1.50p year ended January 31, 1976 (1.25p). Income £228,099 (£248,986). Debit interest £17,773 (£81,271) and tax £61,274 (£42,900), leaving £109,495 (£96,679). Net asset value 49p (22p) per share.

MELDRUM INVESTMENT TRUST—Results for 1975 reported February 17. Investments at valuation £8.03m. (£3.95m.). Temporary loans in U.K. £1.5m. (£0.91m.). British and Commonwealth Shipping Company holds 75 per cent. of the company. Meeting, 2, St. Mary Axe, E.C., on March 16, at 11 a.m.

UPDOWN INVESTMENT—Total income for 1975 £120,773 (£121,224), expenses and interest £28,963 (£28,277), tax £34,035 (£36,141), available for Ordinary £57,777 (£56,806). Ordinary dividend 1.35p (1.25p) per 25p share costing £54,000 (£50,000). Earnings per share 1.44p (1.42p). Net asset value share 47.9p (25.3p).

هكذا بالأصل

'Bats' U.S. recovery measures

THE FALL in the British-American Tobacco Company's share of the U.S. cigarette market was merely "a hiccough" and did not indicate the beginning of a long decline, said chairman Sir Richard Dobson yesterday.

Kool, the major brand of the Brown and Williamson subsidiary in the States, was one of the only two brands to make progress last year. The problem was with the Raleigh and Viceroy brands.

"When it is difficult to restore flagging brands you look for new ones," commented Sir Richard and BATS has two or three new brands on test in the U.S. at the moment.

At a Press conference to discuss the accounts for the year to September 30, 1975, Sir Richard declined to give an indication of what could be expected in the current year from the tobacco division—that will have to wait until the annual meeting on March 18—but he insisted "we don't expect any dramatic changes in the tobacco division this current year."

The group was now getting a reasonable return on its investment in retailing in the U.S. where there had been a big upturn in both sales and profits for Gimbels and Saks. Profits now "handsomely" outweighed the cost of servicing the cash raised to pay for the American retailing businesses.

In the U.K., however, the situation at International Stores was "less encouraging." The reorganisation programme involving the closure of small stores and the replacement with larger ones was not as far ahead as BATS would have liked.

The average space among the IS stores was now 4,000 square feet and "I would be happier if it was 8,000 square feet." Last year 135 small branches were closed and 98 new ones opened and this kind of progress could be expected to continue this year. IS has closed 300 shops since it was acquired by BATs and opened another 100. It now has 890 stores.

As for the paper division (Wiggins Teape) the massive destocking by customers seemed to be over and orders were picking up again. "But we have a long way to get back to the 1973-74 levels of profit," said Sir Richard.

Mr. P. Gardner, assistant managing director of WT, maintained costs in the U.K. had gone up very substantially since the last price increases and the company badly needed a large price increase if it was to cover current unrecovered costs.

The situation for BATs' cosmetic division was "patchy," revealed Sir Richard, but a "modest improvement" was expected in 1976.

Capital expenditure last year totalled £120m. world wide with £25m. going towards Brown and Williamsons' new factory at Macon, Georgia, and £17m. on Wiggins Teape's Brazilian plant. Authorised expenditure this year totals £132m.

The accounts show total group net assets expanded to £1,742.26m., at September 30, 1975, compared with £1,442.61m. a year earlier, of which stocks accounted for £922.76m., against £777.21m. Fixed assets advanced from £455.57m. to £566.57m.

A geographical breakdown of net assets, in percentages, shows U.K. 19.4 (20.5); Europe 15.6 (18.1); U.S. and Canada 40.4 (38.1); Latin America 12.6 (11.9); Asia 4.4 (4.6); Africa 4.6 (5.3); Australasia 3 (3.5).

As reported on February 4 pre-tax profit increased from £249.44m. to £276.48m. in the past year, reflecting a strong second half, and the dividend is lifted from 10.417p to 11.068p net per 25p share. The chairman will comment on current year prospects at the AGM.

A geographical analysis of turnover (£4,261.8m. against £3,488m.) and operating profit, before interest (£324.6m. against £287.8m.) shows in percentages: U.K. 13.4 (14.3) and 8.8 (12); Europe 23 (24) and 11.5 (15.8); U.S. and Canada 31.8 (31.7) and 44.1 (37.2); Latin America 21.7 (19.5) and 20.8 (17.3); Asia 5 (5.1) and 6.9 (8.2); Africa 4.5 (4.7) and 6.5 (7.8); Australasia 0.6 (0.7) and 1.4 (1.7).

Imperial Investments, a wholly owned subsidiary of Imperial Group, is beneficially interested in 15.8 per cent. of the BAT Ordinary.

As known Sir Richard is retiring from the chairmanship on March 31. He will be succeeded by Mr. Peter Macadam, the vice-chairman.

Meeting St. John's, Smith Square S.W., March 18, noon.

● comment

BAT is not expecting any great fireworks in its tobacco division this year, but margins were improving in the second half of 1974-1975 and the outlook for volume in Germany and the U.S. has improved. The group's minor brands have been under pressure in the U.S., and two or three new ones are currently being tested, but there are no immediate plans for an expensive nation-wide launch. The retail interests are doing well in the U.S.—Gimbels' earnings jumped by two-thirds in the key Christmas quarter—and BAT confirms that orders are beginning to pick up in the paper industry. At the same time, the impact of inflation on working capital seems to be moderating, and capital spending may be roughly unchanged, so a sizeable cash surplus seems probable on this year's trading. But the shares, at 345p, have yet to show any signs of recovery following 1975's relative weakness.

See Men and Matters

Freddie Mansfield

Sir Richard Dobson, chairman of British American Tobacco.

Greater confidence in Rank's future

SIR JOHN DAVIS, chairman of the Rank Organisation, says decisions taken unanimously by the Board in 1975 enables him to view the future with greater confidence.

Many of the matters affecting voting control and top management which were represented as controversial were already under consideration before public comment arose.

"We believe that the decisions arrived at are in the best interests of the company, its employees and shareholders," he says.

As from March 30, Mr. Harry Smith is being appointed deputy chairman with the understanding that he will become chairman when Sir John retires in March, 1977.

Mr. Smith is to head a committee of directors to review the management structure and all aspects of the relationship between the executive functions of the company and the Board. Sir John believes that the resulting changes will facilitate the next phase of the company's development.

ADR voting

Under the enfranchisement proposals the Rank Foundation will give up voting control of the company. After enfranchisement, holders of American Depository Receipts will hold some 28.5 per cent. of the capital; at present, in the absence of specific instructions from ADR holders, Morgan Guaranty and Citibank may vote at their sole discretion those shares for which instructions have not been received, but in future they have agreed to vote shares represented by ADRs only if instructed by those holders.

Reviewing the year ended October 31, 1975—"a traumatic one for the Organisation"—Sir John says trading conditions showed no improvement, certainly in relation to the majority of the leisure-orientated activities.

One of the problems was the rise in VAT rate, with consequent effect on Rank Radio International which had a disastrous year. On the other hand a remarkable success was scored in television activities in Australia, where Rank established a company with Nippon Electric to assemble and market television receivers.

The likelihood of cutbacks in leisure spending in heavy unemployment areas leads Sir John to view prospects for 1976 with some reserve. Action taken at Rank Radio should give a material reduction in the rate of loss in the current year, particularly in the second half.

Benefits of the cutback in the capital programme of investment properties are now being reflected in reduced demand on cash flow although the overseas building programme has not been completed.

£177m. portfolio

On completion of the programme, total investment in developed investment properties, including overseas at year-end exchange rates will be some £177m. In the U.K. a considerable number of rent reviews will be coming up in the next year or so.

Despite increased competition and virtual world recession in trading, Rank Xerox group maintained its profit before interest and share of associates. But after a provision, net available profits were somewhat lower. The investigation into the affairs of Rank Xerox by the Monopolies Commission is continuing.

Numerous U.K. and overseas loans totalling the equivalent of some £32.5m. have been renewed or extended. A large proportion are in foreign currencies and have been used either to repay existing loans or to finance the balance of the current overseas investment programme.

Total capital expenditure (other than that on company acquisitions) came to £52.56m. Major items were £7.93m. on factories and plant, £4.16m. on new theatres and improvements, £5.22m. on U.K. investment properties and £28.77m. on overseas.

At October 31, future expenditure aggregated £38.8m., of which £36.3m. had been committed—£32.7m. overseas.

Unused financial resources available to the group were £67.2m. (£66.4m.), including bank and other borrowing facilities of £55.4m.

As reported on January 23, group sales for 1974-75 were £352.66m. (£287.68m.), trading profits £16.15m. (£17.81m), and surplus before tax £52.44m. (£60.22m.); the dividend is 6.478p (5.579p). A divisional split of turnover and trading profit is given in the table. Geographically, £7.12m. trading profit was earned in the U.K., £3.69m. in Canada and £6.25m. in Australia.

Meeting, Royal Lancaster Hotel, Hyde Park, W, March 16 at 11.30 a.m. Shareholders will be asked to approve the £150,000 compensation payment to Mr. Graham Dowson, former chief executive. Mr. F. Keighley retires from the Board by rotation and is not seeking re-election.

	Turnover 1975 £000	Turnover 1974 £000	Trading profit 1975 £000	Trading profit 1974 £000
Leisure	305,490	245,917	9,891	12,721
Film exhib. G.B.	28,989	24,835	298	1,734
Film exhib. overseas	28,318	22,951	3,391	2,758
Dancing and bingo	18,985	16,137	3,068	2,084
Motorports and restaurants	12,088	11,916	315	206
Film studios	1,732	1,798	*450	15
Film laboratories	9,938	7,951	951	963
Film prod. and distrib	7,125	3,846	202	537
Hotels	18,839	14,812	*2,278	*2,564
Holiday centres	37,947	30,662	6,104	5,464
Audio visual	37,181	31,878	4,150	2,724
Radio, TV Europe	71,829	56,512	*11,728	*821
Radio, TV, Australia	33,950	519	5,026	*89
Scientific instruments, etc.	26,682	26,037	1,738	1,053
Property	6,565	6,617	5,291	3,536
Other activities	9,920	9,075	179	1,382
Unall. central costs	—	—	749	596

* Losses.

See Lex

Berisfords down but improving

ALTHOUGH at £544,000 for the year to November 24, 1975, taxable profits of the Berisfords group of ribbons, labels and trimmings makers, are down £128,000 on the previous year's record, they are still the second highest ever achieved by the group. The half-way figure was £272,000, against £305,000.

Mr. John F. Sebire, chairman, says the difficult conditions of 1975 were largely overcome by making full use of versatility of plant.

And, he reports, the improvement in demand in recent months, both in home and export markets, has now spread to all divisions. The volume of orders on hand is "very satisfactory" and the directors look forward to the current year with confidence, Mr. Sebire adds.

Earnings per 25p share for 1974-75 are shown at 6.3p compared with 7.2p. The net dividend total is again 1.99p per share, with an unchanged final recommendation of 1.39p.

	1974-75 £	1973-74 £
External turnover	5,355,000	4,982,800
Profit	544,800	672,600
Tax	289,800	381,000
Net profit	255,000	291,800
Dividends	80,600	80,600
Retained	174,400	210,400

No less profit from Garford Lilley

For the six months to September 30, 1975, turnover of Garford-Lilley Industries increased from £1.42m. to £1.67m. and group pre-tax profit marginally improved to £116,094 compared with £114,353. The group achieved profits of £252,561 for the whole of last year.

The interim dividend is maintained at 0.175p net out of stated earnings per 5p share of 0.85p compared with 0.83p. Total payout in the previous year was 0.59p.

The directors say activities of both the engineering and plastics divisions have been well maintained, but the woodworking division has suffered almost total cessation of trading in what were its main running lines, particularly for the television industry.

However, new products have been developed, and while it is early to forecast their success, the interest of customers is "most encouraging."

Indications for the current year are that, while the woodworking division will have incurred a loss, the overall position will be at least equal to last year. This is in accord with the previously expressed view that the company is in a position to withstand any further contraction in general demand, the directors point out.

	Half year 1975 £	Half year 1974 £
Turnover	1,665,230	1,417,788
Pre-tax profit	116,094	114,353
Taxation	60,369	59,464
Net profit	55,725	54,889

Statement, Page 23

Concrete Monier advance

Concrete Industries (Monier), an associate of Redland, which has a 46.7 per cent. interest, reports first-half (to December 31) consolidated operating profits before tax of $A7m., an increase of 63.5 per cent., with net profits, after tax and minority but before extraordinary items, up 48.6 per cent. to $A3.49m.

Total sales for the period have risen from $A64.3m. in 1974 to $A74.20m. Depreciation amounted to $A1.9m. ($A1.59m.).

The interim dividend is again 3.5 cents per share payable on April 2.

The directors report that all sections showed gains and that profit contributions from overseas operations also showed an increase, with favourable implications for further profit growth in most overseas areas.

Record year for MSF

A record year's sales for the year ending October 31, 1975, with the highest ever profit figure is reported by the chairman, Mr. R. B. Darby, of Midland Shires Farmers, the Midlands-based agricultural co-operative.

Sales at £19m. show a £1.8m. increase and profits jumped £142,000 to £491,854.

As a consequence the Board is recommending an interest rate on share capital of 12 per cent. and a like rate has already been paid for Loan capital. A bonus to members on trading of £2 per £100 is also proposed.

All activities in which the society is involved had a successful year despite the difficult conditions created by inflation. Marketing had been particularly hard hit with egg producers receiving very depressed returns and special financial support had been given to them during the year.

British Australian

For 1975, British Australian Investment Trust reports net revenue of £108,822 compared with £104,341 after tax of £109,717 against £110,547.

The final dividend is lifted from 0.51625p to 0.56625p net, making a total of 0.75p compared with 0.7p. Net assets per 25p share are shown at 47.5p against 32.375p.

In calculating the net asset value, no provision has been made for the surrender of 25 per cent. of the investment currency premium or for the tax which would have been payable had the investments been sold at market values at the balance-sheet date.

MFI resumes dividend after recovery

A TURNROUND from a loss of £246,030 to a pre-tax profit of £456,287 for the half year to November 29, 1975, and a resumption of dividend, after a year's lapse, with an interim of 1.17p net per 10p share, are announced by MFI Warehouses.

And the chairman, Mr. A. C. Southon, reports that the trading pattern since November continues to be favourable. The policy, now concentrating entirely in the retail field, is to maintain a programme of expansion within the U.K. supported by competitive merchandising and effective advertising.

"I feel able to look to the future with increasing confidence," he declares.

Sales for the half-year expanded to £9.65m. (compared with £7.33m. which included £2.03m. from mail order). For the 53 weeks to May 31, 1975, sales, which included £2.72m. from mail order, amounted to £15.23m., and there was a pre-tax profit of £77,785.

Earnings per share for the six months are shown at 2p (loss 2.5p).

There are now no mail order debtors outstanding, and the mail order office has been closed.

The continuation of the return to profitable trading referred to last October was the result of the improved general level of sales at existing branches supported by four new branches opened.

A branch in Edinburgh—the second in Scotland—has been opened since the end of the six months. Mr. Southon says the company's liquidity position has continued to improve.

The present warehousing, held on short-term arrangements, is insufficient to deal with projected expansion. It has therefore been agreed to replace those premises by taking occupation of a newly built warehouse at Bedford, with considerably improved facilities, which will be adequate to provide for future distribution demand. A long lease has been taken rather than a substantial capital commitment as was envisaged at Northampton.

	26 weeks 1975 £	1974 £
Retail sales	9,649,160	5,295,507
Mail Order	—	2,030,918
Total sales	9,649,160	7,326,425
Profit before tax	456,278	*246,030
Taxation	239,924	—
Net profit	216,354	*246,030
Dividend after waivers	90,025	—

* Loss.

Mr. D. A. Searle, Mr. N. A. V. Lister and Philip Lait and Co. have waived their claim to the interim dividend to the extent of 17 per cent. in respect of 3.5m. shares. Last November Philip Lait subscribed for 1m. shares, representing 9.09 per cent. of the enlarged capital.

● comment

The run-down of MFI's mail order division with the eventual closure this year relieves some of the strain on financing and the incidence of bad debts, but the group is still dependent on a high volume of turnover. This has not been difficult to attain over the past year, with the furniture industry generally going through a buoyant phase, and so MFI has come through with a steady recovery and pre-tax profits of £780,000 over the past 12 months. Cash balances evidently more than offset the £½m. County Bank loan, but stock is expected to rise on the back of a higher volume of turnover, and the store opening programme of up to 10 units a year. MFI is expanding into a new warehouse, so the group must be taking a bullish view considering how fresh the memories are of a profits collapse last year on less than a tenth drop in sales. But in the meantime shareholders can be comforted by a return to the dividend list, where at 47p the annualised yield is 7.9 per cent., and perhaps £1m. pre-tax for the year.

Second half loss at Olives

A SECOND half turnaround from a profit of £140,707 to a loss of £113,326 resulted in pre-tax profits of Olives Paper Mill falling sharply from £370,752 to £25,347 for all 1975. Turnover finished behind from £3.96m. to £3.39m.

However, the directors state that, while being unable to give an optimistic forecast, they are currently experiencing encouraging signs of increased buying activities.

Stated earnings per 20p share for the year declined from 10.7p to 0.6p. An interim dividend of 0.84p (0.75p) already paid stands against last year's total of 2.445p net.

After tax of £15,343 compared with £109,324 the net balance emerges £161,224 down at £10,204.

Extel plans for computer typesetting

Burrup Mathieson and Co., the printing subsidiary of the Extel Group, intends to re-open its former Crane House factory at Southwark, London, and to instal an advanced computer-assisted phototypesetting system, with supporting printing and finishing processes.

Preliminary discussions have been held with the printing unions, and subject to agreement on detailed arrangements, orders for the necessary equipment will be placed in the next few weeks.

Burrups intends to expand the new techniques progressively, retraining employees as existing composing processes are run down, over a period of several years, and compulsory staff redundancies are not envisaged.

S & W Berisford goes 'somewhat' ahead

MR. NORMAN CASTLE, chairman of S. and W. Berisford, the international food group said at yesterday's annual meeting that management accounts for the first four months of this financial year showed a modest decline in turnover mainly due to lower commodity prices.

However, he added that management had again succeeded in maximising opportunities coming their way and that profits were "somewhat ahead" of those for the same period last year.

Mr. Castle said the directors continued to be concerned about developments in many parts of the world which caused serious interference in international trading, and they were therefore adopting a policy of extreme caution which was likely to mean a reduction in trading in some areas.

He told the meeting there was now "definite evidence that the British housewife is economising on her household budget and we cannot be encouraged by the economic trends in the U.K. On the other hand considerable investment in plant and management over the last two years has meant that our companies are operating with much greater efficiency.

"We feel confident of being able to produce somewhat better profits for the full financial year," Mr. Castle concluded.

Expansion at Fenchurch Insurance

Fenchurch Insurance Holdings the holding company for the insurance and underwriting agency subsidiaries of Guinness Peat Group, is expanding its U.K. insurance broking services with the formation of three new companies, Fenchurch Northern Insurance Brokers, Fenchurch North Western Insurance Brokers and Fenchurch Midlands Insurance Brokers.

Fenchurch Northern, operating in Leeds, Hull and Newcastle, will be under the direction of Bryan Webb. North Western will be managed out of Manchester by Tim Fowle, and Midlands out of Birmingham and Leicester by John Dady.

Chairman of all three companies will be Geoffrey Knight, a director of Guinness Peat Group and executive vice chairman of FIH. David Jago, a director of FIH, will have overall executive responsibility for the provincial companies.

Everards Brewery progress

TURNOVER FOR the year to September 27, 1975, of Everards Brewery expanded from £5.93m. to £7.19m., and pre-tax profit advanced from £587,000 to £616,000.

Stated earnings per £1 share increased from 11.88p to 13.4p, and the dividend is stepped up from 2.493p to 2.66p with a final of 1.33p.

The chairman, Mr. P. A. W. B. Everard, says that in the light of the present national economic depression, with its attendant high level of unemployment, it is difficult to be optimistic about the immediate future.

However, he is confident that the company will retain its share of trade and he believes that the management is competent to maintain the growth in profits provided legislation permits.

	1974-75 £000	1973-74 £000
Turnover	7,194	5,924
Profit propy. disposals	12	33
Depreciation	199	142
Pre-tax profit	616	587
Taxation	331	332
Retained	214	189

Derby Trust policy

Mr. D. Montagu, chairman of Derby Trust, says in his annual statement that while the economic problems "which face us all" still constitute an "enormous" challenge, he feels the events of the last two years have brought about a reappraisal of past policies and that the next 12 months could be viewed with more confidence than a year ago.

In such conditions the company's portfolio, based on the economies of the U.K., U.S. and Canada, should continue to prosper, he adds.

As reported on January 23 after interest and management expenses gross revenue for 1975 advanced from £383,499 to £422,945 and the final dividend is 6.372p net lifting the total from 9.854p to 10.658p.

The policy of concentrating investment exposure, given additional weight in 1974, was broadly continued during the year, although there was a slight increase in the number of stocks held from 107 to 111, of which 69 were in the U.K., 32 in the U.S., eight in Canada and one each in Australia and South Africa, states Mr. Montagu.

Meeting, the Portman Hotel, W., on March 15 at noon.

Sales hit at Allied Breweries

MR. KEITH SHOWERING, chairman of Allied Breweries, told shareholders at yesterday's annual meeting that the first 32 weeks of the current year "would be disappointing in comparison with last year."

There had been a major interruption of supplies caused by an inter-union dispute at the Ansell brewery in Birmingham; in addition, he said, recession, unemployment and a fall in standards of living had all been hitting the volume of sales.

Mr. Showering commented that it would be unrealistic to expect a substantial improvement in the economic situation in the next six months, but when it came, he declared, Allied Breweries was better placed than any competitor to take advantage of it.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are una-

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	Net Asset Value after deducting prior charges: at market value (7)	Investment Currency Premium (see note g) (8)
	VALUATION MONTHLY			Pence except where £ stated (see note d)			
134.9	Alliance Trust	Ord. Stock 25p	30/1/76	5.25	247.8	258.3	48.0
†	Capital & National Trust	Ord. & "B" Ord. 25p	30/1/76	†	†	†	†
8.4	Claverhouse Investment Trust	Ordinary 50p	30/1/76	2.75	83.6	83.6	1.5
8.5	Crossfriars Trust	Ordinary 25p	30/1/76	2.4	84.5	84.5	—
5.9	Direct Spanish Telegraph	Ordinary 25p	31/1/76	3.5	64.5	64.5	2.9
13.6	Dundee & London Investment Trust	Ordinary 25p	30/1/76	1.85	70.3	72.0	5.9
75.7	Edinburgh Investment Trust	Deferred £1	30/1/76	4.95	232.0	249.9	46.4
†	First Scottish American Trust	Ordinary 25p	2/2/76	†	†	†	†
10.5	Grange Trust	Ord. Stock 25p	30/1/76	1.38	88.5	93.5	12.5
59.3	Great Northern Investment Trust	Ordinary 25p	30/1/76	3.24	117.2	120.1	11.0
56.7	Guardian Investment Trust	Ordinary 25p	30/1/76	1.75	94.5	99.6	11.8
80.7	Investment Trust Corporation	Ordinary 25p	30/1/76	4.527	239.1	245.8	51.7
68.7	Investors Capital Trust	Ordinary 25p	30/1/76	1.0	91.7	98.5	24.4
21.3	Jardine Japan Investment Trust	Ordinary 25p	31/12/75	0.85	137.6	137.6	22.2
5.8	Kingside Investment Co.	Ordinary 25p	30/1/76	1.75	x56.6	x57.0	2.3
30.2	London & Holyrood Trust	Ordinary 25p	30/1/76	2.55	128.9	133.5	25.2
21.3	London & Montrose Investment Trust	Ordinary 25p	30/1/76	4.0	213.1	218.0	43.5
41.1	London & Provincial Trust	Ordinary 25p	30/1/76	2.4	126.3	129.2	25.6
†	Mercantile Investment Trust	Ordinary 25p	31/1/76	†	†	†	†
	Do. Do.	Conv. Deb. 1983	31/1/76	£4.50	†	†	†
44.9	Northern American Trust	Ordinary 25p	2/2/76	2.3	x110.0	114.3	22.8
6.3	Save & Prosper Linked Inv. Trust	Capital Shares	31/1/76	—	132.5	132.5	—
†	Scottish Northern Investment Trust	Ordinary 25p	5/2/76	†	†	†	†
91.2	Scottish United Investors	Ordinary 25p	31/1/76	1.55	102.5	107.3	28.3
44.3	Second Alliance Trust	Ord. Stock 25p	30/1/76	4.3	210.7	221.2	41.4
3.2	Shires Investment Co.	Ordinary 25p	31/1/76	5.6	124.6	124.6	—
36.9	Sterling Trust	Ordinary 25p	30/1/76	4.1	201.5	209.8	37.2
23.9	Technology Investment Trust	Ord. & "B" Ord. 25p	30/1/76	B	116.3	117.6	24.0
‡64.1	United British Securities	Ordinary 25p	30/1/76	6.4	285.3	288.1	49.9
	Baillie Gifford & Co.						
104.0	Scottish Mortgage & Trust	Ordinary 25p	31/1/76	2.3	135.7	138.3	30.4
†	Edinburgh & Dundee Investment	Ordinary 25p	31/1/76	†	†	†	†
50.9	Monks Investment Trust	Ordinary 25p	31/1/76	1.05	60.8	62.1	13.1
13.7	Winterbottom Trust	Ordinary 25p	31/1/76	3.5	232.7	246.5	49.2
	Baring Bros. & Co. Ltd.						
35.2	Outwich Investment Trust	Ordinary 25p	6/2/76	1.8	115.7	124.9	18.2
23.1	Tribune Investment Trust	Ordinary 50p	27/1/76	9.6	866.9	873.5	232.6
	Cripps Warburg Ltd.						
‡13.7	Sizewell European Inv. Trust	Ordinary 10p	31/1/76	1.4	102.2	102.2	18.0
‡3.0	Atlanta, Baltimore & Chicago	Ordinary 10p	31/1/76	0.15	w57.3	w57.3	w12.3
3.6	West Coast & Texas Regional	Ordinary 10p	31/1/76	0.45	w69.7	w69.7	w14.2
	Edinburgh Fund Managers Ltd.						
†	American Trust	Ord. & "B" Ord. 25p	31/1/76	†	†	†	†
14.7	Crescent Japan Investment Trust	Ordinary 50p	31/1/76	—	133.5	133.5	18.7
	Electra House Group						
152.3	Cable Trust	Ordinary 25p	30/1/76	4.6	176.0	177.0	14.2
	Do. Do.	Conv. Ln. Stk. 1985/90	30/1/76	£6.25	£144.30	£143.10	£11.70
66.0	Electra Investment Trust	Ordinary 25p	30/1/76	3.6	124.4	124.8	14.2
126.4	Globe Investment Trust	Ordinary 25p	30/1/76	2.7	118.7	119.7	7.8
	Do. Do.	Conv. Ln. Stk. 1987/91	30/1/76	£5.50	£103.20	£104.10	£6.80
21.8	Telephone & General Trust	Ordinary 25p	30/1/76	7.0	x211.6	x222.3	x11.3
	Do. Do.	Conv. Loan 1987/91	30/1/76	£8.00	£84.90	£89.20	£4.50
10.3	Temple Bar Investment Trust	Ordinary 25p	30/1/76	5.0	146.3	149.6	8.2
	Do. Do.	Conv. Loan 1985/90	30/1/76	£5.75	£117.00	£119.60	£6.60
	F. & C. Group						
14.4	Alliance Investment	Ordinary 25p	15/1/76	3.87	222.2	233.1	40.2
†	Cardinal Investment Trust	Deferred 25p	31/1/76	†	†	†	†
	Do. Do.	Conv. Ln. Stk. 1985/87	31/1/76	£6.00	†	†	†
4.9	F. & C. Eurotrust	Ordinary 25p	31/1/76	0.5	64.8	64.8	21.1
†	Foreign & Colonial Inv. Trust	Ordinary 25p	31/1/76	†	†	†	†
†	General Investors & Trustees	Ordinary 25p	31/1/76	†	†	†	†
	Gartmore Investment (Scotland) Ltd.						
63.2	Scottish National Trust	Ordinary 25p	31/1/76	2.75	172.8	177.8	32.8
16.1	Glasgow Stockholders Trust	Ordinary 25p	31/1/76	2.8	182.8	190.1	37.7
	John Govett & Co. Ltd.						
71.3	Border & Southern Stockholders Tst.	Ordinary 50p	30/1/76	4.8	330.3	339.1	52.6
32.8	Debenture Corporation	Ordinary 25p	30/1/76	2.45	100.1	104.3	15.9
9.7	General Stockholders Inv. Trust	Ordinary 12½p	30/1/76	1.125	112.4	124.7	26.8
‡17.9	Govett European Inv. Trust	Ordinary 25p	30/1/76	1.6	88.5	88.5	34.3
52.0	Lake View Investment Trust	Ordinary 25p	30/1/76	1.5	102.8	107.6	17.2
	Do. Do.	Conv. Loan 1973/98	30/1/76	£4.00	£137.00	£143.50	£23.00
27.2	London & Aberdeen Inv. Trust	Prefd. & Defd. 5p	30/1/76	1.55	155.9	167.9	26.2
52.3	Stockholders Investment Trust	Ordinary 25p	30/1/76	1.45	104.2	110.0	20.4
	G.T. Management Ltd.						
‡13.3	Berry Trust	Ordinary 25p	31/1/76	0.025	57.6	58.3	8.0
	Do. Do.	Conv. Loan 1993	31/1/76	£4.25	£83.50	£86.10	£11.60
6.3	Northern Securities Trust	Ordinary 25p	31/1/76	2.45	126.5	134.9	19.2
10.9	G.T. Japan Investment Trust	Ordinary 25p	31/1/76	0.5	129.9	129.9	27.5
	Hambros Group						
‡19.6	Bishopsgate Prop. & Gen. Inv. Tst.	Ordinary £1	30/1/76	—	104.9	112.7	—
‡19.5	Bishopsgate Trust	Ordinary 25p	28/1/76	4.0	199.2	210.6	17.5
3.1	City of Oxford Investment Trust	Ordinary 25p	30/1/76	2.2	62.9	68.7	—
‡40.1	Hambros Investment Trust	"A" & "B" Ord. 25p	30/1/76	*4.25	112.1	125.7	14.2
10.4	Hellenic & General Trust	Ordinary 10p	30/1/76	0.67	45.8	53.9	—
†	Rosedimond Investment Trust	Cap. Shares 25p	30/1/76	—	†	†	†
	Henderson Administration Ltd.						
110.1	Witan Investment	Ord. & "B" Ord. 25p	30/1/76	*1.5	x97.6	106.2	x20.3
⊕20.9	Electric & General Investment	Ordinary 25p	30/1/76	1.0	⊕82.6	⊕91.1	⊕17.2
4.6	Greenfriar Investment	Ordinary 25p	30/1/76	1.0	95.8	95.8	18.7
4.7	Mendip Investment	Ordinary 25p	30/1/76	1.0	89.0	93.7	18.4
5.3	Lowland Investment	Ordinary 25p	30/1/76	1.5	54.3	54.3	2.9
1.9	English National Investment Co.	Preferred 25p	30/1/76	1.45925	29.1	31.6	—
	Do. Do.	Deferred 25p	30/1/76	0.937	41.3	51.2	—
	Philip Hill (Management) Ltd.						
‡18.8	City & International Trust	Ordinary 25p	31/1/76	2.75	107.4	113.1	16.5
9.1	General & Commercial Inv. Trust	Ordinary 25p	31/1/76	3.4	146.7	156.8	21.3

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	Net Asset Value after deducting prior charges: at market value (7)
	Philip Hill (Management) Ltd. cont'd.			Pence except where £ stated (see n		
‡19.2	General Consolidated Inv. Trust	Ordinary 25p	31/1/76	2.5	90.5	94.0
‡111.1	Philip Hill Investment Trust	Ordinary 25p	31/1/76	5.0	197.9	203.5
‡3.7	Moorgate Investment Co.	Ordinary 25p	31/1/76	2.025	71.4	74.6
‡34.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/1/76	5.6	245.5	257.1
	Ivory & Sime					
83.2	British Assets Trust	Ordinary 25p	30/1/76	1.4	64.9	69.5
27.3	Second British Assets Trust	Ordinary 25p	30/1/76	1.5	195.1	202.3
24.4	Atlantic Assets Trust	Ordinary 25p	30/1/76	0.4	66.3	71.7
10.9	Viking Resources Trust	Ordinary 25p	30/1/76	0.33	88.5	88.5
	Leopold Joseph & Sons Ltd.					
3.5	Anglo-Welsh Investment Trust	Ordinary 50p	30/1/76	1.37	w61.4	w63.1
	Do. Do.	Conv. Pref. 50p	30/1/76	4.375	w61.4	w63.1
5.4	Leopold Joseph Investment Trust	Ordinary 25p	30/1/76	1.15	x78.5	93.5
4.7	Thanet Investment Trust	Ordinary 50p	30/1/76	2.4	w74.7	w78.5
	Keyser Ullmann Ltd.					
29.4	Throgmorton Trust	Ordinary 25p	30/1/76	3.625	60.3	64.9
9.1	Throgmorton Secured Growth Tst.	Cap. Loan Stock £1	30/1/76	—	—	120.4
	Lazard Bros. & Co. Ltd.					
14.2	Embankment Trust	Ordinary 25p	□31/1/76	1.95	94.0	97.7
48.4	Raeburn Investment Trust	Ord. Stock 25p	31/1/76	3.15	154.1	160.8
38.8	Romney Trust	Ord. Stock 25p	31/1/76	2.15	108.3	111.4
	Martin Currie & Co., C.A.					
10.1	Canadian & Foreign Inv. Trust	Ordinary 25p	31/1/76	2.4	131.9	136.4
17.1	St. Andrew Trust	Ordinary 25p	31/1/76	3.25	134.9	141.4
†	Scottish Eastern Investment Trust	Ordinary 25p	31/1/76	†	†	†
22.2	Scottish Ontario Investment Co.	Ordinary 25p	31/1/76	2.7	152.0	154.9
51.2	Securities Trust of Scotland	Ordinary 25p	31/1/76	4.7	194.8	217.8
2.8	Western Canada Investment Co.	Ordinary 25p	31/1/76	11.5	619.3	636.8
	Murray Johnstone Ltd.					
37.7	Caledonian Trust	Ord. & "B" Ord. 25p	31/1/76	*1.3	83.4	87.7
57.8	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/1/76	*1.35	80.2	83.5
15.6	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/1/76	*1.3	100.5	105.6
5.4	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	31/1/76	*1.35	80.5	80.5
18.1	Scottish & Continental Investment	Ordinary 25p	31/1/76	1.0	w78.5	w78.5
64.2	Scottish Western Investment	Ord. & "B" Ord. 25p	31/1/76	*1.8	101.5	107.1
20.6	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	31/1/76	*§1.6	92.1	96.5
	Naydale Ltd.					
‡3.0	Simonside Investment Co.	Ordinary £1	31/1/76	0.7	x69.4	x70.9
	N. M. Rothschild & Sons Ltd.					
5.4	Equity Consort Investment Trust	Ordinary £1	20/1/76	5.4225	148.3	148.3
	Do. Do.	Deferred 50p	20/1/76	2.925	96.6	96.6
	Do. Do.	Conv. Loan Stk. 1994	20/1/76	£4.75	£112.60	£112.60
8.2	Equity Income Trust	Ordinary 50p	20/1/76	7.15	177.5	194.6
	Schroder Wagg Group					
‡18.8	Ashdown Investment Trust	Ordinary 25p	30/1/76	3.05	158.2	166.6
	Do. Do.	Conv. Loan 1988/93	30/1/76	£4.75	£110.70	£116.60
‡26.8	Broadstone Investment Trust	Ordinary 20p	30/1/76	3.09	173.4	183.8
	Do. Do.	Conv. Loan 1988/93	30/1/76	£4.50	£115.60	£122.50
‡44.3	Continental & Industrial Trust	Ordinary 25p	30/1/76	4.5	228.7	244.2
‡26.0	Trans-Oceanic Trust	Ordinary 25p	30/1/76	3.65	195.3	205.5
	Do. Do.	Conv. Loan 1988/93	30/1/76	£4.50	£122.00	£128.40
‡11.1	Westpool Investment Trust	Ordinary 25p	30/1/76	2.125	116.9	121.7
	Do. Do.	Conv. Loan 1989/94	30/1/76	£5.00	£105.20	£109.50
	Stewart Fund Managers Ltd.					
56.5	Scottish American Investment Co.	Ordinary 50p	30/1/76	1.8	79.8	83.5
15.2	Scottish European Investment Co.	Ordinary 25p	31/1/76	1.1	56.6	56.6
	Touche Remnant & Co.					
33.5	Atlas Electric & General Trust	Ordinary 25p	30/1/76	1.15	65.8	69.1
27.9	Bankers' Investment	Ordinary 25p	31/1/76	1.9	65.1	70.0
15.0	C.L.R.P. Investment Trust	Ordinary 25p	30/1/76	1.4	82.1	86.8
28.1	Cedar Investment Trust	Ordinary 25p	30/1/76	1.9	77.1	80.2
33.5	City of London Brewery	Deferred 25p	31/1/76	2.0	62.7	67.7
26.4	Continental Union Trust	Ordinary 25p	30/1/76	1.91	136.2	143.2
151.6	Industrial & General Trust	Ordinary 25p	30/1/76	1.14	60.0	62.6
32.2	International Investment Trust	Ordinary 25p	30/1/76	1.8	84.8	90.2
42.6	Sphere Investment Trust	Ordinary 25p	30/1/76	2.04	129.7	136.0
41.8	Standard Investment Trust	Ordinary 25p	30/1/76	4.2	162.9	172.8
30.4	Trust Union	Ordinary 25p	30/1/76	2.0	123.3	128.9
55.1	Trustees Corporation	Ordinary 25p	31/1/76	2.95	161.0	167.9
	VALUATION THREE-MONTHLY					
2.6	Cumulus Investment Trust	Ordinary 25p	30/1/76	0.7	34.6	38.6
24.0	Hume Holdings	"A" & "B" Ord. 25p	31/12/75	*2.7925	68.6	73.1
12.4	London Electrical & General Trust	Ordinary 25p	31/12/75	2.4	91.1	97.1
28.5	London Scottish American Trust	Ord. Stock 25p	30/1/76	3.575	157.1	165.5
‡6.3	Oil & Associated Investment Trust	Ordinary 25p	31/12/75	1.625	59.6	61.0
	Do. Do.	Conv. Loan Stock	31/12/75	£6.25	£135.00	£137.20
8.0	Safeguard Industrial Investments	Ordinary 25p	31/12/75	2.8	67.9	70.3
49.8	United States Debenture Corporation	Ord. Stock 25p	30/1/76	2.42	106.5	110.4
	Do. Do.	Conv. Ln. Stk. 1993	30/1/76	£5.00	£117.10	£121.40
	Carliol/Tyneside Group					
†	Carliol Investment Trust	Ordinary 25p	31/1/76	†	†	†
	Do. Do.	Conv. Loan 1994/99	31/1/76	£4.50	†	†
†	Tyneside Investment Trust	Ordinary 25p	31/1/76	†	†	†
	Do. Do.	Conv. Loan 1994/99	31/1/76	£4.50	†	†
	East of Scotland Investment Mngrs.					
35.9	Aberdeen Trust	Ord. Stock 25p	31/12/75	3.5	144.0	155.0
9.3	Dominion & General Trust	Ordinary 25p	30/11/75	5.25	197.2	211.5
22.1	Pentland Investment Trust	Ordinary 25p	30/11/75	2.65	115.5	121.7
	Kleinwort Benson Ltd.					
23.4	British American & General	Ordinary 25p	31/1/76	1.25	44.8	45.8
37.5	English & New York	Ordinary 25p	31/1/76	1.9	86.9	89.4
	AMENDMENT to table published 16/1/76:					
	Valuation Monthly					
12.7	Embankment Trust Ltd.	Ordinary 25p	□30/11/75	1.95	x82.8	87.2

* Applies to Ordinary/"A" Ordinary only. §=includes special dividend. ac=adjusted for scrip issue. ar=adjusted for rights issue. † Company will announce year-end or interim results shortly. x, w see note (h) below. □ Valuation Two-monthly. ⊕ Not directly comparable with previous published figure. B=Dependent on "B" share conversions. ‡ Change in the prior charges since the previous published figure.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation: both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.

(f) Cols. 6-7 Prior charges are deemed to include preference share capital.

(g) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation f 6 and 7.

(h) Cols. 6-8 Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. per share. C stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; w subscription rights are treated as exercised, except where a figure is marked "w".

AITC

A booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London, EC2M 7JJ.

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	540	420	Ang.Am.Coal Corp.50c	420	−25	MQ38c	2.8	4.0	—
F.P.	—	$12¼	$12	Brazil Fund S.A.	$12	......	—	—	—	—
F.P.	—	$10,500	$10,500	Brasilvest S.A.	$10,500	......	—	—	—	—
F.P.	—	£43	£29¾	Hughes Tool $1	£34⅛	−1½	Q4lc	—	J..	—
F.P.	—	205	170	LASMO 'OPS' Units 10p	170	−5	—	—	—	—
F.P.	—	205	170	SCOT 'OPS' Units 10p	170	−5	—	—	—	—

FIXED INTEREST STOCKS

Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price £	+ or −
F.P.	—	100	99⅝	Agricultural Mort. 10⅜% Bds. 1977	100	......
F.P.	7/4	104	96	Arbuthnot Lath. 9% Conv. Uns. 1988	104	......
F.P.	19/3	154	128	Bowring (C.T.) 10% Conv. Uns. Loan 1997	150	......
—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99½	......
F.P.	23/1	104½	99⅛	Essex Water 9% Red. Pref. 1981	100⅛xd	......
$93.58	26/6	121½	825p	Jardine Math. 7½% Conv. Uns. 1990	11	......
£50	—	32½	30	LASMO 14% Uns. Loan 81-83	30	−½
F.P.	—	99½	99½	Midland Bk. FloatCap. Notes 1983	$99½	......
F.P.	—	101	99¾	Norway 8¾% $ Notes 1981	101	......
—	16/2	109	92	Pentos 15% Conv. Uns. 1985	108	......
F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9¾ Deb. 1981	$99½	......
£50	—	32½	30	SCOT 14% Uns. Loan 81-83	30	−½
F.P.	—	99½	99½	Seagram 9% Notes 1983	$99½	......
F.P.	17/11	50¼p	45p	Single 10% Cum. Conv. Pref.	47½	......
F.P.	20/2	129	110	Tenneco 10% Sterling $ Conv. 91-96	125½	−½

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1975/6 High	1975/6 Low	Stock	Closing Price p***	+ or −
F.P.	2/2	1/3	29	25½	Amber Day	27½	......
F.P.	4.2	26.3	76	67	Armitage Shanks	67	......
F.P.	13/2	12/3	65	60½	Baker Perkins	63	−1
F.P.	11/12	5/3	146	84	Beresford (S. & W.)	146	......
Nil	—	—	20	16½	Blackwood Hodge	16½ pm	−1½
Nil	6/2	5/3	85	60	Brentnall Beard	86	......
F.P.	21/1	20/2	44	36	Brooke Bond	40	......
F.P.	17/2	24/3	28	25¾	Brown Boveri Kent	27	......
Nil	—	—	22	18	Carpet Intnl	18pm	−½
F.P.	19/3	20/2	78	64¾	Fairey	78	......
F.P.	9/1	20/2	80	75	Green's Economisers	77	......
Nil	—	—	7¾	7¼	Jackson (J. & H. B.)	7¼pm	−¼
Nil	—	—	9	7½	LCP Holdings	7½pm	−1
F.P.	26/1	12/3	70	60½	Lake & Elliot	66	......
F.P.	13/2	16/3	21	18	Liner Concrete Machinery	19½	−1½
Nil	—	—	10½	8	Lloyd (F.H.)	8pm	−1
F.P.	30/1	13/2	302	270	Nat. Bank of Aust.	285	+5
Nil	23/2	19/3	35	19	Ocean Transport	19pm	−2
Nil	24/2	25/3	27	18½	Stenhouse Hldgs.	20½pm	+1
Nil	25/2	24/3	12	10	Strong & Fisher	10pm	......
F.P.	6/2	2/4	14	12¼	Tomkins (F.H.)	12½	......
Nil	—	—	33	22	Wolseley-Hughes	25pm	+1

...nunciation date usually last day for dealing free of stamp duty. a Placing ...o public. b Figures based on prospectus estimate. d Dividend rate paid or ...e on part capital, cover based on dividend on full capital. g*** Pence ...otherwise indicated. u Forecast dividend: cover based on previous year's ...s. M Figures based on prospectus or other official estimate for 1976 ...res assumed. † Cover allows for conversion of shares not now ranking ...vidends or ranking only for restricted dividends. ‡‡ Issued by tender ...red to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ✝ Rights ...y of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in ...ion with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ... Preference holders. ‡ Allotment letters (or fully-paid). • Provisional or ...aid allotment letters. ‡ With warrants

COMPANY NEWS

Some recovery for ICI in last quarter

A £37m. advance in the last quarter's profit, compared with the third, has enabled Imperial Chemical Industries to produce a total of £327m. before tax for 1975.

This represents a reduction of £128m. on 1974.

The low level of economic activity throughout the world led to a marked reduction in the year's sales volume. Total value rose some 5 per cent. to £3.09bn. because higher average selling prices more than offset the effects of that reduction, but profits fell because of the combined effect of reduced volume and substantially higher costs which could not be fully recovered in selling prices.

Home sales rose 9 per cent. to £1.31bn. and those in overseas markets went up 2 per cent. to £1.78bn. F.o.b. value of exports from the UK accounted for £586m., compared with £636m. in 1974.

Earnings before extraordinary items are shown to be down from 51.2p to 39.7p per £1 share. The final dividend is 4.875p for a total of 11.8243p net, against 11.0801p.

	1975 £m.	1974 £m.
External sales	3,099	2,955
1st quarter	748	661
2nd quarter	754	783
3rd quarter	777	765
4th quarter	820	746
Depreciation	181	169
Profit before tax	327	455
1st quarter	80	122
2nd quarter	78	132
3rd quarter	66	118
4th quarter	103	82
Taxation	*133	201
Development grants	25	14
Net profit	219	268
Extraord. debits	4	6
Minorities	24	19
Attributable	191	243
Dividends	39	54
Retained	-122	189

* Corporation tax £102m., overseas £43m., principal associates £8m., less £19m. for U.K. investment grants.

This year's profit includes £29m. from the conversion into sterling of overseas subsidiaries' net current assets. Of this £13m. was taken into the third quarter and £16m. into the fourth.

If profits were to be corrected for inflation, using general purchasing power indices, the group figure would be about £250m. less; this compares with an adjustment of £123m. for 1974 for conditions of inflation which then existed.

Certain subsidiaries, mainly in Europe and the U.S., have now changed their accounting year-end from September 30 to December 31, and their results for the December quarter have been treated as an extraordinary item.

The quarterly sales and profits for 1975 on a restated basis to include those subsidiaries for the calendar year were: first £749m. and £73m.; second £752m. and £78m.; third £768m. and £61m.; fourth £860m. and £109m. These figures will be used for comparisons when the results during 1976 are published.

Statement, Page 21
See Lex

Sizewell sees some revenue reduction

Reporting pre-tax revenue down from £111,887 to £42,787 for the six months to January 31, 1976, the directors of Sizewell European Investment Trust say that the first half figures should not be taken as an indication of the revenue for the year.

On the basis of the current information it is expected that full year revenue will show some reduction from the level of 1975—£289,106 before tax—reflecting the fall in sterling interest rates and the reduced level of liquidity in the portfolio.

	1975-76 £	1974-75 £
Gross revenue	258,643	333,798
Expenses and int.	215,856	221,911
Revenue before tax	42,787	111,887
Tax	23,000	58,000
Net revenue after tax	20,787	53,887

Net assets at January 31, 1976, amounted to £8.18m. (£6.96m. at July 31, 1975) equivalent to 102.2p per 10p share (87p), including 100 per cent. of the investment currency premium. At January 31, 1976, the value of the assets acquired with foreign currency loans exceeded the value of those loans, and the surplus has been accounted for in investment currency.

Again there is no interim dividend—last year's final payment was 1.4p net.

Edinburgh & Dundee Inv.

On gross investment income of £2.81m. against £3.23m. Edinburgh and Dundee Investment Company reports pre-tax profits virtually unchanged at £2.41m. for the year to January 31, 1976, compared with £2.42m. for the previous year.

Earnings per 25p share are given at 2.98p (3.13p). A final dividend of 1.68p raises the total from 2.7p to 2.8p net.

Asset value per share at January 31 after deducting prior charges at par was 169p (107.3p).

Kingside Inv. pays same

Final dividend for shareholders of Kingside Investment Company is being kept at 1.4p net, giving a maintained total of 1.75p from earnings down from 1.91p to 1.75p per 25p share for the year 1975.

Total income, including the dividend from a subsidiary, was £337,267, compared with £375,871 which included revenue of an associate. Interest charges were £36,143 (£56,146), management expenses £48,497 (£53,972) and tax £94,870 (£93,527).

Net asset value per share was 50p (36.2p).

Matthews Holdings

In accordance with the forecast made in December, in connection with the acquisition of Dawson and Barfos, the directors of Matthews Holdings have declared a second interim dividend of 1.3732p net in respect of the 15 months to January 1, 1976.

Together with the first of 1.1p, this brings the total to date to 2.4732p. As stated in December the directors intend to take into account the extended financial period in recommending the final. The total for last year was 2.3136p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Greaves Organisation, W. W. Hall, Neepsend, Wintrust.

Finals: Ritz Hotel (London).

FUTURE DATES

Interims—

Ayer Hitam Tin Dredging	Mar. 4
Clark (Matthew)	Feb. 25
Firth (G. M.)	Feb. 27
Fox's Biscuits	Mar. 1
Willows Francis	Mar. 1

Finals—

Brighton and Hove Stadium	Feb. 27
Early (Charles) and Marriott (Witney)	Apr. 2
Lamson Industries	Feb. 26
Nell and Spencer	Mar. 8
Provident Financial	Mar. 2
Silentbloc	Feb. 26
Trade Indemnity	Mar. 16
West Coast and Texas Regional Investment Trust	Feb. 24

Fife Forge increase—50% scrip

Pre-tax profits of Fife Forge Company expanded from £151,729 to £217,300 in 1975 after £109,270, against £71,412, for the first half. Turnover rose from £1.44m. to £2.04m.

The dividend total is lifted from 4.26p to 4.63p net per 25p share with a final of 3.03p and a one-for-two scrip issue is also proposed.

A lower tax charge of £45,589 against £61,867 reflects the continuing policy of investment in modern equipment and factory extension, which in this year amounts to some £200,000.

Anglo-Intl. net payment unchanged

Earnings of Anglo-International Investment Trust in 1975 declined marginally from £230,008 to £233,964 subject to tax of £90,422 compared with £70,072.

The final dividend is maintained at 1.9p net making an unchanged total of 2.6p. Net assets per 25p share with full dollar premium are shown as 160.25p against 49.29p.

	1975 £	1974 £
Pre-tax earnings	233,964	239,008
Tax	90,422	70,072
Net earnings	143,542	166,936
From contingcy. res.	12,458	*12,936
Dividends	156,000	156,000

* To reserve.

Greenall Whitley caution

AT THE annual meeting yesterday of Greenall Whitley and Co., the Warrington-based independent brewery, wines and spirits, soft drinks and hotels group, Mr. Christopher Hatton, chairman, reported that sales were "very satisfactory" during the first three months of the current year up to Christmas, but the present restrictions on incomes and the significant downturn in consumer spending by the general public was now having its effect.

This shortage of spending power and the "extremely heavy" increases in duties on wines and spirits imposed by the Chancellor were now taking their toll, particularly on spirits sales in the group's public houses.

Mr. Hatton said the directors were actively engaged in expanding sales in other markets and were currently investigating the European market for beer.

"Our target is to increase group profits in the current year, but it would certainly help us if the Government's measures to reduce the rate of inflation continues to be increasingly effective," the chairman added.

Options over a further 100,065 Ordinary shares were granted in the second year of the Share Option Scheme which now brought the employee interest in share options to over half a million shares, the meeting was told.

Meeting Page 21

Prospects uncertain at Landis & Gyr

BY JOHN WICKS

ZURICH, Feb. 19.

THERE IS no certainty that demand will improve sufficiently this year for the Landis and Gyr, the electrical apparatus concern, to return to profits according to the Swiss parent company, Landis and Gyr AG of Zug.

In the financial year ended September 30, 1975, the group experienced a loss of Sw.Frs.34.2m. in comparison with a profit for the previous year of Sw.Frs.41.2m.

The Board recommends a halving of the dividend for the year to 6 per cent. The special category of priority participation certificates, introduced in 1975, will receive 8¼ per cent.; the yield, which is linked to general interest levels, is expected to decline this year.

While the undertaking says it has "no reason to be pessimistic about long-term prospects," those for most of the group's national divisions are viewed soberly for 1976. In Switzerland itself, which accounts for 42 per cent. of group production value, no improvement is anticipated for employment levels of the major company, LGZ, Landis and Gyr, ZUG AG, for the current financial period and short-term production adjustments and cost-cutting measures will continue to be necessary.

Abroad, losses are expected for this year for the important German and Italian operations and a smaller loss than in 1975 for the British subsidiaries, while the prospects are said to be "unfavourable" for the French subsidiary, Landis and Gyr SARL, of Montlucon. Improved profitability is, however, expected for a number of individual subsidiaries, in Sweden, Spain, Holland and Japan.

The two U.K. subsidiaries last year recorded a marked expansion in sales and output, although the downward float of sterling meant that turnover in terms of Swiss francs was only at about 1974 levels. Losses of the two companies were rather smaller than in 1974.

A breakdown of group turnover, announced at a Press conference here to-day for the past financial year shows shares of 52 per cent. for electrical equipment, 32 per cent. for the domestic heat regulation sector and 14 per cent. for industrial equipment and service automats.

For the first four months of the current financial year, 1975/76, there has been an improvement in the flow of new orders, higher on an annual basis by some 9 per cent. than last year, and stocks on hand have shown a drop. Orders are still being accepted which do not cover costs, however, and the development of turnover is "not yet satisfactory."

Investments have been reduced considerably.

Polaroid profits accelerate

BY GUY DE JONQUIERES

NEW YORK, Feb. 19.

POLAROID reported to-day that its net profit soared by 166 per cent. to $24.7m. or 76 cents per share during the final quarter of last year, from $9.3m. or 28 cents per share in the same quarter of 1974.

This improvement, which was broadly in line with the expectations of most Wall Street analysts, resulted in a 120 per cent. increase in full-year net profit to $62.6m. or $1.91 per share from $28.4m. of 86 cents per share.

Sales during the final quarter rose to $269.7m. from $248m. and for the full year were $812.7m., up from $757.3m. in 1974.

Mr. William McCunie, Polaroid's chairman, said that it sold a record 5m. cameras in 1975 and that its cash position showed "a strong improvement." Cash and marketable securities stood at $180m. at the end of last year, up from $106.7m. at the end of 1974.

Mr. McCune also said that Polaroid entered the fine chemicals supply business last year and is selling chemicals to the pharmaceutical industry as well as manufacturing those needed for its own use. He added that he believed that a "number of opportunities" exist for the company in the proprietary chemicals field.

He noted that Polaroid is now making all its own colour negatives after having purchased the process from Eastman Kodak, which is due to introduce its first instant camera in competition with the Polaroid line later this year.

Last month, Polaroid unveiled a new, lower-priced version of its SX-70 camera called the Pronto, which will sell at a retail price of $66, compared with about $200 for the most sophisticated SX-70. The camera, which is due to go on sale next month, is clearly designed to protect Polaroid's flank against competition by Kodak's new model.

FTC writes to Hoffman U.S.

By John Wicks

ZURICH, Feb. 19.

THE FEDERAL Trade Commission has sent a letter to Hoffmann-La Roche, of Nutley, New Jersey, the U.S. subsidiary of the Swiss-based pharmaceutical concern asking the company for "certain information in connection with tranquillisers and vitamins." According to the parent company, the requests contained in the Commission's letter are now being studied.

This move follows the much publicised Governmental investigations into the pricing policy of the Roche transquillisers "Librium" and "Valium" in the U.K. and Germany. A case is pending before the EEC Commission in Brussels with regard to former company practices in the granting of rebates on vitamin sales.

Last October, the U.S. Roche subsidiary won a law suit in America against U.S. interests for infringement of patent rights in the tranqilliser sector.

Outstanding resurge from Mitchell SA

BY RICHARD ROLFE

JOHANNESBURG,

THE SOUTHERN African operations of Mitchell Cotts, controlled as to 80 per cent. by the London parent, but quoted in Johannesburg, have again proved outstandingly profitable, pre-tax profit rising from R3.1m. to R4.4m. for the six months to end-December. The net profit is up from R1.6m. to R2.7m. and earnings per share have risen from 13c to 21c. The interim dividend has been upped 2c to 6c and the results augur well for a rise in last year's 10c final. Even on what looks like a minimum 16c, however, the shares at 160c yield 10 per cent.

The interim figures are, moreover, broken down divisionally and it is clear that most of the running has been made by the group's successful Fraser and Chalmers operation, which accounts for the bu profits under the cc and contracting headi in turn rose from R R1.9m. for the six mor other big gain was in t distribution, from R R1.2m. On the nega transport, shipping an reflecting lower imp volume and port prof back from R1.5m. to F

The forecast in the l report was a record ye 1976 in terms of profi Board now repeats the though saying it will generally difficult conditions. It also str the six months exper not be typical, in view and Chalmers's invol projects where profit taken until completic contract.

Concrete stage recove

BY JAMES FORTH

SYDNEY, I

CONCRETE Industries (Monier), the major building products and raw materials group, staged a strong recovery in the half-year to December, boosting profits almost 49 per cent. from $A2.3m. to $A3.5m. Moreover, the company expects that results for the second half will be comparable.

The group's performance is better than indicated by the "small improving trend" mentioned last October. All sections of the business in fact showed gains. Material factors affecting the results were a period of good industrial relations, reduced accidents, tight cost controls, improved contributions from overseas operations and a better bad debts experience.

Monier's chairman, Mr. E. S. Owens, said the profits growth was gratifying after the "interruption" in 1974-75. He pointed out that two years ag in the first half were $ said the group was now ing an acceptable ear Sales for the half year $A63m. to $A74.2m.

Monier is 49.9 per c by U.K. group, Redlan

The group's roofing maintained sales with provement in profit. volume should be main half and a further im overseas is expected. masonry division the trend was evident in except Victoria. The ducts division did wel larly in caravans, raw

Overseas profits in contracting should be maintained. The interi is held at 3.5 cents a line with the annua 7 cents.

Record Danish bank profits

BY HILARY BARNES

COPENHAGEN, Feb. 19.

TWO MORE of Denmark's biggest commercial banks have announced record profits to-day following a record result yesterday from Copenhagen Handelsbank.

Landmandsbanken (which changes its name to Den Danske Bank in April this year) announce a net profit for 1975 of Kr.363.3m. (Kr.44.6m. in 1974) after tax. For the first time ever the bank has proposed to make a scrip issue to shareholders, which will be of Kr.85.9m. There will also be a rights issue of the same amount issued at 103 per cent. while Kr.6.1m. will be available for employee subscription. The dividend will remain unchanged at 12 per cent.

Privatbanken declared a net profit of Kr.319m. (Kr.77m.). The bank proposed a Kr.38.8m. rights issue and a convertible debenture with a coupon of 12 per cent. for the same sum, plus Kr.8m. for employee subscription. The Bank's dividend will be an unchanged 11 per cent.

In both banks the record net profit is caused by a big rise in the market value of bonds and shares held, which under Danish regulations is included in the profit and loss account.

Landmandsbanken's account showed a surplus of Kr.361m. under this heading compared with a loss of Kr.172m. last year. The operating profit before depreciation and allocations to the reserves was down from Kr.342m. to Kr.297m.

Privatbanken recorded a small increase in operating profit from Kr.264m. to Kr.275m. Gains on the market value of shares and bonds came to Kr.312m. against a loss in 1974 of Kr.119m.

The banks' operating profits were affected by the fact that while there were substantial increases in deposits (30.9 per cent. to Kr.13.8bn. for Landmandsbanken and 24 per cent. to Kr.8.5bn. for Privatbanken) advances remained virtually unchanged from 1974. This is the result of a higher savings ratio and a large Government budget deficit, which have affected deposits, while the business recession has prevented any increase in advances.

Hamilton Bancshares may sell more units

NEW YORK, Feb. 19.

HAMILTON BANCSHARES Inc., Chattanooga, Tennessee, whose flagship bank failed last weekend, may have to sell at least several more of its subsidiary banks to bring its debt down to manageable proportions.

That, at least, is the view of several bankers in a syndicate which last year arranged a $103.5m. credit line for the bank-holding company.

Hamilton, which at one time controlled almost a score of banks, currently has only nine. Almost all of the shares of the remaining units are held as collateral by Hamilton's lenders.

The flagship, Hamilton National Bank of Chattanooga, which had more than $400m. in deposits, was declared insolvent on Monday. The bulk of its assets were sold to First Tennessee National Corp., Memphis, with the aid of the Federal Deposit Insurance Corp.

Shortly thereafter, the holding company privately sold Hamilton Bank of Nashville for an estimated $7.5m. On Tuesday, the company sold Hamilton First American Bank of Memphis for a reported $4.5m.

According to sources, the proceeds from the sales have helped bring the holding company's debt to the lending syndicate down to less than $75m. The syndicate is headed by Manufacturers Hanover Trust Co., New York. Other members of the group, sources said, are: First National City Bank, Morgan Guaranty Trust Co., Chemical Bank, Bankers Trust Co., all of New York, and Western American Bank (Europe) Ltd., London.

One banker said that the lending sydicate had been working for months with Hamilton and regulatory authorities to help solve the company's problems. "But the FDIC came to the conclusion that ther was no point in pursuing further co-operation" and decided to declare Hamilton National insolvent, he said.

The banker, who didn't want to be identified, said that the lending syndicate is still pursuing a co-operative workout plan and that several more of Hamilton's banks probably would be sold.

He said that he expected the lenders to have to take some loss on the Hamilton loan. Another banker, however, stated "it looks like the collateral will cover the loan, depending on the circumstances." He declined to elaborate.

In Nashville, Frank Woods, who was part of a group which acquired Hamilton National Bank of Nashville, said that it was his impression that all the bansk owned by Hamilton Bancshares were up for sale. He said there seemed to be "great pressure" being applied by Hamilton's New York creditor banks to sell as many as possible.

There had been some speculation that the lending syndicate would call the loan and take control of the remaining banks. Under banking regulations, banks may operate concerns they seize in foreclosing loans for up to a period of three years.

But most bankers yesterday said that they believed that a co-operative workout could continue unless Hamilton decides to file for voluntary bankruptcy or is thrown into involuntary bankruptcy proceedings by others.

Schickedanz reports expansion

By Nicholas Colchester

BONN, Feb. 19.

THE SCHICKEDANZ Group, a German private company whose interests include Quelle, the largest mail-order house in Europe, yesterday reported a 10.7 per cent. increase in turnover to DM7.1bn. for the year that ended January 31.

Schickendam's trading interests, including Quelle, accounted for DM5.7bn. of these sales and registered growth of 9.4 per cent.

The new chief executive of the company, Hans Dedi, said that he expected sales in the current business year (to January 31, 1977) to grow by between 8 and 10 per cent., so sales would grow to DM8bn. in less than the 14 months it took to generate the previous billion.

Profits for the year just ended were not revealed but were said to be satisfactory, if not quite up to the level of the previous year.

Downturn at Capel C

BY JAMES FORTH

SYDNEY,

THE CHEQUERED earnings pattern of Capel Court Corporation, the major Australian merchant bank and money market dealer, continued in the half year to December with earnings plunging 65 per cent. from $A2.8m. to $A989,000.

The turnaround was the result of the different monetary conditions prevailing over the two periods. In the first half of 1974-1975 Capel, one of Australia's largest money market operators, was able to generate a high level of earnings because of the effect of sharply falling interest rates on its bond portfolio. More normal conditions existed in the latest six months, with interest rates easing marginally.

Capel's money market activities provide the bulk o with lesser contributio from corporate lendir writing, portfolio m and advisory services.

Illustrating the over back impact of changi rates on profits the gr a profit of $A2.8m. swung round to $A1.9 1974 when interest sharply, and then reco $A3.8m. profit in 1974-7 course, profits have fa

Despite the latest set ever, the interim divid at 2.5 cents a share. the company paid a cents, to make a total 5 cents. The interim by earnings of 8.8 cen

Svenska cellulosa decline

STOCKHOLM, Feb. 19.

THE GROSS profit after depreciation of Svenska Cellulosa AB (SCA) in 1975 went down to Kr.569m. ($US129m.) from Kr.749m. ($170m.) in the previous year, despite a large turnover increase, the company announced.

The net profit of the concern, after taxes, allocations and extraordinary items, was posted at Kr.90m. ($20.5m.), down from Kr.133m. ($30.2m.) for 1974.

The Moelnlycke Company, which the SCA group acquired in late 1974, accounted for Kr.51m. ($11.6m.) of the total SCA gross profit. Its gross profit went up by 21 per cent. from Kr.42m. ($9.5m.).

The profit per share after estimated tax deduction dwindled to about Kr.45 ($10.2), compared with Kr.76 ($17.3) for 1974. The dividend to be suggested by the Board at the shareholders general meeting next May 10 was set at Kr.9.50 ($2.16) per share, which requires Kr.57.2m. ($12.9m.). In the previous year the dividend was set at Kr.11 ($2.50) per share, which required Kr.40.3m. ($9.16m.). Following a new issue in 1975 the number of shares is 6,024,447.

The group's turnover in 1975 amounted to Kr.3.45bn. ($784m.). In 1974—with Moelnlycke not included — the turnover was Kr.2.664bn. ($605.5m.), the company reported.

Demand for the parent company's forest industry products (cellulose pulp paper, board, sawed timber etc.) was generally low throughout 1975 in connection with depressed main West European markets and use of stocks, although there was a certain recovery toward the end of the year, the announcement said.

CPC International

CPC INTERNATIONAL has revealed that fourth quarter net earnings per share were $1.45 ($1.20). Total net earnings were $34.3m. ($28.4m.) and sales reached $696.8m. ($728.3m.) for the year. Operating net income was $109.2m. ($89.8m.) and sales were $2.7bn. ($2.57bn.). Net earnings for 1974 excludes a gain of $9.4m. (or 39c per share) from the sale of an interest in Funk Seeds International.

Bankhaus Wolff plans new start

HAMBURG, Feb. 19.

THE SMALL German private bank Bankhaus Wolff, which voluntarily handed back its licence in August 1974, has met all its liabilities and plans to resume business particularly in real estate and as a securities and trust advisor, general partner Hans Wolff told reporters.

The bank returned its licence during the liquidity crisis following the collapse of Herstatt.

A West German private banking association spokesman in Cologne said that Bankhaus Wolff has repaid the DM11m. it borrowed from the association's firefighting fund and it will continue as a broker and advisor. But it will not accept deposits or grant credits.

Wolff said the bank's liabilities have been met and its balance sheet total reduced from DM42m. at end-1974 to DM20m. at end-1975.

Limited liability capital has been reduced to DM0.5m. from the DM14.1m. in 1974 since such a large capital base is not needed for the new activities.
Reuter

Fujitsu Spanish deals

TOKYO,

FUJITSU said that the Spanish government has authorised the Japanese company to increase its interest in Fujitsu Espania to 100 per cent. from the current 50 per cent.

Officials said that the 50 per cent. interest in the Spanish company will be purchased from Banco Espanol de Credito, Madrid, but declined to disclose the price and the timing of the purchase. Officials said that the action is designed to promote computer sales in Spain.

Fujitsu Espania was established in June 1973 as an equally owned joint venture by Fujitsu and the Spanish bank to market Fujitsu's computers in Spain. The company is c at 46m. Pesetas offici not disclose an ann figure.

A local press report Fujitsu intends to inc capital of Fujitsu Es 60m. Pesetas after its of the other 50 per cent

Fujitsu also said that Espanola de Comunic Informaica, a Spanish owned 30 per cent. by will purchase a 67 interest in Telesincro, computer maker, from holders.

Officials declined to the price and the date purchase will be implen

UOP to contest claims

CHICAGO, Feb. 19.

UOP said that it will vigorously contest any claims against it and its subsidiaries relating to the refinery it designed and built at Come-by-Chance, Newfoundland, for the Provincial Refining Company.

Initial difficulties encountered by the operators of the refinery were similar to those frequently experienced in bringing a complex new grass-roots refinery on stream, UOP said.
Reuter.

Sydney Stock Exchange intervenes in Robe-Hancock tangle

BY JAMES FORTH

SYDNEY, F

THE SYDNEY Stock Exchange has intervened in a complicated proposal to change control of the iron ore group, Robe River.

The property group Bond Corporation, headed by Perth businessman Mr. Alan Bond, at present holds a 43.3 per cent. controlling interest in Robe River. Bond bought the Robe holding in 1973 from the liquidator of the failed mining house, Mineral Securities Australia for $A19.6m. The consideration was payable in annual instalments with the major, and final, payment of $A11.75m. due in February, 1977.

Bond Corporation was due to make its 1976 instalment of $A2.13m. earlier this month. When the deadline came round, Bond sought an extension because negotiations were under way to sell the holding.

Bond Corporation has announced that a letter of intent has been signed to sell the Robe shareholding to iron ore magnate, Mr. Lang Hancock, reputed to be Australia's richest man. Hancock was largely responsible for the development of the rich Pixbara iron ore reserves and he receives royalties from Hamersley Iron running into several million dollars a year.

Hancock agreed to pay an "effective" price of $A1.38 for every Robe share, equal to $A25.7m., subject to certain conditions being met. A major condition is that Robe River must agree to buy assets from Hancock for $A22.4m.

Full details have yet to be released about these asset purchases but they are thought to include half of Hancock's royalties and a large Pilbara iron ore deposit known as Marandoo. Hancock holds a letter of intent from the Japanese steel mills which he hopes to converdt into a contract which would enable a $A600m. mining operation to be established at Marandoo.

A further condition of the propsed deal is that the Sydney Stock Exchange agrees to waive its rule on such sales. Under exchange requirements directors selling control of a company must seek a comparable offer for the remaining shareholders unless they can demonstrate "special circumstances" why this course should not be followed.

Bond Corporation asked the Sydney Exchange to waive this requirement but the Exchange replied that no special circumstances had been demonstrated to convince it that an offer should *not* be made for the remaining shares.

The Exchange suggested that Bond Corporation might wish to produce further information to show that sufficient "special circumstances" existed to warrant waiving the requirement.

Alternatively the Exchange suggested that if 75 per cent. of Robe shareholders agreed at a meeting to buy the Hancock assets, it would waive for a complete takeov The Exchange stipula Bond Corporation must with its 43.3 per cent. at such a meeting.

Under existing Exchar Bond Corporation and Rc must hold shareholders' to seek approval for thei tive proposals.

In the case of bond t ing involves the sale of shares and in the case it concerns the purchas Hancock assets. If a sha *is a vendor or purchaser* cases, the Exchange sta the shareholder cannot

This requirement would not normally Bond from voting at a Ro ing to consider buying from Hancock, becaus Corporation is neither dor nor the purchaser assets.

The Exchange however, to Bond's interest in Rob holders approving the purchase, as it is a conc the sale of the cor interest in Robe. It s because of the principl lished by its requirement must not vote at the Rob ing.

The Exchange also ref its requirements tha details concerning the p purchases of Hancock must be available. It cor it "essential for all pa the proposed transacti consult closely with Exchange on the text a tents of the information provided to the sharehol Robe River." Whether th Hancock deal goes ahe largely depend on the i tion disclosed for the cent. of Robe shareholde will be able to vote on t ter.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Aquitaine 10pc 1985	103½	104½	American Express 4¼pc '87	86	88
Ashland 8pc 1987	95	96	Ashland 5pc 1988	81	83
Austraswiss 8pc 1987	93	94	Beatrice Foods 4¼pc 1992	95	97
Borregaard 8½pc 1989	97	98	Beatrice Foods 4½pc 1992	103	105
Broken Hill 10pc 1990	104½	105½	Borden 5pc 1992	94½	96½
Carrier 8pc 1987	93	94	Broadway Hale 4½pc 1987	75	77
Conoco 8pc 1986	99½	100½	Canon Camera 7¾pc 1989	107	109
Consl. Foods 7½pc 1991	91¾	92¾	Carnation 4pc 1987	81½	83½
Cutler Hammer 8pc 1987	84½	85½	Chevron 5pc 1988	101	103
EIB 9½pc 1985	102½	103½	Dart 4¾pc 1987	89	91
ERAP 9½pc 1985	102¾	103¾	Eastman Kodak 4½pc 1988	119	121
Esso 8pc 1986 Nov.	100½	101½	Economic Labs. 4¾pc 1987	82	84
General Cable 8½pc 1987	91½	92½	Eidal 7½pc 1989	83	85
General Motors 8½pc 1986	103½	104½	Fed. Dept. Stores 4½pc '85	127	129
Granges 8½pc 1985	99¾	100¾	Firestone 5pc 1988	92½	94½
GTE 8½pc 1986	98¾	99¾	Ford 6pc 1986	92	94
New Zealand 9½pc 1988	103½	104½	Ford 5pc 1988	82	84
Pacific Light 8pc 1988	96	97	General Electric 4¼pc 1987	87	89
Prov. of Quebec 7¾pc 1989	90	91	Gillette 4¾pc 1987	79	81
Quebec Hydro 8½pc 1989	99	100	Gould 5pc 1987	87	89
Queensland 8¼pc 1987	93½	94½	Gulf and Western 5pc 1988	94	96
Scanraff 8½pc 1988	98¾	99¾	Harris 5pc 1992	79	81
Shell 8pc 1986	99¾	100¾	Honeywell 6pc 1986	83	85
Stand. Oil (Ind.) 8½pc 1988	100½	101½	ITT 4½pc 1987	72	74
Tenneco 7¾pc 1987	90½	91½	Komatsu 7½pc 1990	106	107½
Transocean 8pc 1986	99¾	100¾	J. Ray McDermott 4¾pc '87	133	135
Utah 8pc 1987	95½	96½	Mitsui 7¾pc 1990	101½	103
Volvo 9½pc 1985	101½	102½	J. P. Morgan 4¾pc 1987	110	112
			Nabisco 5½pc 1988	94	96
NOTES	Bid	Offer	Owens Illinois 4½pc 1987	97	99
Air France 9½pc 1982	102½	103½	J. C. Penney 4½pc 1987	77	79
Ardal 9½pc 1980	103	104	Pioneer 6½pc 1989	210	215
Aust. Ind. Dev. 10½pc 1981	104	105	Rank 4½pc 1993	46½	48½
Barclays 9½pc 1983	101½	102½	Revlon 4¾pc 1987	100	102
Cie Nil. du Rhone 10pc 1982	104½	105½	Sperry Rand 4¼pc 1987	97½	99½
Du Pont 7¾pc 1978	101	102	Squibb 4½pc 1987	83	85
Esso 7½pc 1978	100¾	101¾	Texaco 4½pc 1988	75	77
General Motors 8¼pc 1978	100½	101½	Toshiba 6½pc 1990	101½	103
Montreal 9¾pc 1981	101¾	102¾	Union Carbide 4¾pc 1982	127	129
Nippon Steel 9½pc 1980	103½	104½	Warner Lambert 4½pc 1987	95	97
Norway 9pc 1980	103½	104½	Warner Lambert 4¾pc 1988	82	84
Skand. Enskilda 10½pc 1981	105½	106½	Xerox 5pc 1988	76½	78½
Source: White Weld Securities.			Source: Kidder Peabody Securities.		

COMPANY NEWS

THF second-half upsurge

...ROUP PROFIT, before tax, of ...ust Houses Forte expanded ...om £11.26m. to £15.61m. in the ...ar to October 31, 1975, after ...arply increased financial charges ...d higher depreciation, etc.

The first six months were dis...pointing—a loss of £959,000 was ...curred, against a profit of ...509,000—because of reduced ...nsumer demand, rising costs ...d price controls, and the policy ...rsued was to achieve greater ...iciency of operation and to ...ract the largest possible share ...available business.

The outcome has been a healthy ...provement over the second six ...nths of the year with trading ...ofits up 33 per cent. over the ...mparable period.

Turnover for the year increased ...£68m. to £370m. and the trad... profit by over £6m. to £30m.

...n additional provision of £5m. ...s been made for the possible ...t in sterling terms of the even... repayment of foreign loans ...d in the U.K. (a provision now ...sts of £11m. in respect of these ...sible losses) and £0.8m. has ...n provided for possible diminu...n in the value of a trade in...tment.

...s to the current year the ...ectors report that the first ...rter's profits show a "substan... increase" over the same ...iod for the previous year. ...ure business appears good and ...ward bookings through the ...pany's reservation offices are ...ning at a high level.

...final dividend of 5.6p makes ...ame again net total of 7.35p ... 25p share. Stated earning ...share increased from 6.48p to ...p.

	1974-75 £000	1973-74 £000
...ing receipts	369,816	303,985
...trading profit	41.956	33,879
...ec. and amort.	11.762	10,110
...ing profit	30.194	23.769
...ency gain	2,342	*104
...income†	396	2,082
...ncial charges	17.324	14,490
...t before tax	15.608	11.257
...tion	6,547	2.179
...ed tax	455	3.463
...profit	8,606	5.615
...ity interest	1,397	203
...utable	7.209	5.413
...ainst	5.500	2.500
...ends	6.150	6.144
...ard	14.314	19.055

...oss. † Profits less losses on sales ...assets and investments. ‡ For pos... increased liability on foreign currency ...£5m. (£2.5m.) and provision against ...investment £0.5m. (nil).

See Lex

It has ... capital equipment, manufacturing and timber broking.

It has also been making operating economies and eliminating its remaining property interests.

The directors are confident the group "has the right balance of interest to enable it to sustain a satisfactory rate of growth for the future."

Century Securities forecast

MR. G. T. MAINON, managing director of Century Securities, forecast at yesterday's AGM that the joinery section would show much improved profits in the year ending July 31, 1976.

The electrical contracting company was still not profitable, he said, but a close watch was being kept on its progress.

Shareholders questioned the reasons why the Volmax Discount Stores Division had made a loss of £203,617 in the 16 months to July 31 compared with a profit of £133,831 in the previous year. Mr. Mainon said the directors, the auditors (Binder Hamlyn) and the group's bankers (Barclays) had all investigated the significant decrease in gross margins but were unable to find explanations.

The decision was therefore reached to close the five stores—in Manchester, Preston, Macclesfield, Coventry and Worcester—in order to stop the losses completely.

Newbold and Burton up by £40,000

Ladies' footwear manufacturer Newbold and Burton Holdings, reports a £40,000 improvement in pre-tax profits to £185,000 for 1975 on sales up from £4.31m. to £5.41m. At half-time profit was £35,000 (£15,000) on £2.14m. (£1.73m.) sales.

A final dividend of 1.3p makes a net total of 2.275p, against 2.345p, out of stated earnings per 25p share of 3.4p compared with 2.3p.

Directors state that the full year's results reflected the improved trading conditions in the second six months.

They add that with order books in better shape, the outlook at the beginning of the current year is brighter than it was in 1975.

	1975 £000	1974 £000
Group sales	5,499	4,307
Pre-tax profit	185	145
Tax	82	78
Net profit	103	67
Brought forward	288	271
To deferred tax	13	5
Dividend	68	70
Retained	285	263

Meeting, Leicester, March 31.

...urner Curzon ...n target

...r the six months to December 1975, Turner Curzon reports ...ax profit of £255,000, after ... stock interest of £85,000, on ...over of £36.9m. Tax is ...000.

...e interim dividend is 0.2038p ... costing £42,000.

...e chairman states that the ... six months of the initial ...-month trading period of the ...pany have produced results ...dly in line with expectations. ...e group has been concentrat... on consolidating its main ...est in the distribution of

MINING NEWS

CRA now over the worst?

BY KENNETH MARSTON, MINING EDITOR

CONSOLIDATED net earnings for 1975 of the Rio Tinto-Zinc group's 80.7 per cent.-owned Conzinc Riotinto of Australia have dropped to $42.9m. (£26.7m.) from $92.7m. A final dividend of 4.5 cents makes a total of 7.5 cents (4.66p) compared with 12.5 cents for 1974. The latest earnings equal 14.9 cents per share compared with 32.1 cents in 1974.

The severe fall in profits comes as no surprise following the setback announced at the half-way stage and, indeed, CRA has done a little better in the second half of the year. As already announced, earnings of the Bougainville, Australian Mining and Smelting and Comalco subsidiaries have been hit by the general recession in world trade.

This has depressed prices and sales of copper, lead and aluminium. The gold price has also fallen but that of zinc has been maintained; CRA's sales of the latter metal, however, have dropped.

A partial offset to falling revenues from other sources has been increased earnings of Hamersley which benefited from higher prices for iron ore coupled with a more favourable exchange rate arising from the strengthening of the U.S. dollar (in which iron ore sales are priced) over the Australian dollar. Otherwise CRA's exchange gains have been minimal in the past year compared with $10.3m. in 1974.

While Hamersley looks like having a less prosperous year, the hope must be that a general economic recovery will be reflected to some extent in CRA's earnings before the end of 1976. The annual report is to be posted on March 29 and the meeting will be held in Melbourne on April 22. CRA were 250p yesterday.

NORANDA DEAL SANCTIONED

The deal whereby Noranda's 41 per cent.-owned Kerr Addison Mines is to acquire International Mogul's 75 per cent. interest in the Silvermines' lead-zinc operation in Tipperary has been sanctioned by Ireland's Minister for Industry and Commerce, Mr. Justin Keating.

Kerr Addison is paying approximately $Can.9m. (£4.47m.) for the acquisition which in no way affects Silvermines' continuing ownership of the remaining 25 per cent. of the Irish operation. Silvermines were 59p in London yesterday.

MINE FIGHT AT DURBAN DEEP

Police were called into restore order at the veteran South African gold producer Durban Roodepoort Deep earlier this week when fighting broke out between Xhosa and Rhodesian mineworkers after the latter had been moved to a new hostel around half a mile from the mine.

The extent of the damage at the mine is not yet known and a company spokesman said yesterday that production will be affected to a small extent. Discussions are taking place between mine management and the workers although 400 Rhodesians have already left the mine. Durban Deep were 365p in London yesterday.

CMI HALF-YEAR

The Consolidated Gold Fields group's Commonwealth Mining Investments (Australia) reports a half-year net profit of $713,000 (£433,000) compared with $802,000 in the first half of the year to last June. An unchanged interim of 8 cents (4.97p) is declared; the total for the previous full year was 16 cents.

CMI has benefited on the latest occasion from a sharp advance in share realisation profits although these have been more than offset by a fall in exchange gains and other non-investment income. It is stated that the results for the full year will depend largely on the continuation of the up-turn in sharemarkets which became apparent in January. At January 31 net assets equalled $2.81 (175p) per stock unit.

BIDS AND DEALS

W. Australian lifts bid for Emu Wine

Western Australian Worsted and Woollen Mills has upped its offer for Emu Wine Holdings from £1.42 a share to £1.70 a share, thereby matching the cash bid made earlier this week by Inchcape, the international trading group.

The directors of Emu, which produces and markets wine in Australia, have already recommended the Inchcape offer, although Western Australian holds 32.5 per cent. of the equity. The key holdings are likely to be those of the Chaplin family who, acting as trustees, are believed to control at least 30 per cent. of the voting.

Western Australian has received permission for its increased offer from the Reserve Bank of Australia.

Readicut to acquire Plasticisers

Readicut International, the textile retailing and manufacturing group, has agreed to acquire Plasticisers and allied companies for an initial consideration in shares and cash of £1,025,000, of which £250,000 will not be paid until April 1, 1977.

In addition, there will be four annual payments, to be satisfied in shares and cash, equal to one-quarter of pre-tax profits for the four accounting years ending March 1980.

Plasticisers, a private company, has pioneered the use of polypropylene as a carpet fibre, manufacturers products from nylon and polythene, and has a division which manufactures plant for the production of synthetic fibres.

Its net assets as at October 31, 1975, after deducting deferred tax of £401,434, were £1.0m. Turnover fell by £1.4m. to £4.95m. during the last accounting year, resulting in a net loss of £0.5m. compared with a net profit of £38,742, in the previous year. It has available tax losses of approximately £1.1m.

SHARE STAKES

J. Hepworth and Son—Mr. P. R. P. Chadwick has increased his holding in the company and now holds 1,021,888 "A" Ordinary shares (31.4 per cent.).

Mr. H. G. S. Groves has acquired 7,000 Cakebread Robey and Company Ordinary shares bringing total beneficial interest to 106,000 shares.

Mills and Allen International—J. H. Vavasseur Group has bought a further 40,000 Ordinary shares in company making total interest up to 7,205,000 shares representing 77.66 per cent. of the equity.

Liner Concrete Machinery—Ferguson Industrial Holdings is now interested in 2,813,900 Ordinary shares in the company (29.31 per cent.).

Consequent upon purchases of further Grant Brothers shares, Owen Owen is interested in 163,750 Ordinary.

Allied London Props. has sold 200,000 Second City Properties Ordinary reducing its holding to 1,562,666 shares (14.87 per cent.).

ASSOCIATES DEALS

Cazenove on February 18 bought 10,000 Coated Metals at 180p on behalf of discretionary investment clients.

DECISION LATER ON R-R TAX

Judgment was reserved yesterday in a High Court appeal in which Rolls-Royce Motors claims that it is entitled, for tax purposes, to set off against its post-1971 profits the losses incurred by the old Rolls-Royce company before the appointment of a receiver.

BANK OF AMERICA
...IONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available ... of exchange for the U.S. dollar against ...us currencies as on Wednesday, February ... These exchange rates have been compiled ...Bank of America NT & SA's world-wide ...ork of branches from various sources. ...ange rates listed are middle rates between ...ng and selling rates as quoted between ...s. Where a multiple exchange rate system ... operation (m), the rate quoted is the ...ercial rate unless otherwise indicated. ...urrencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

...dollar Libor Rate as of February 19 at 11.00
3 months: 5¼ 6 months: 6¾

SDR1—$US1.16950

Country	Currency	Value of DLR
...& Issas	Djibouti Franc	168.9222
...dstan	Afghani (o)	45.30
...a	Lek (m)	4.9886
...	Dinar (a)	3.9760
...a	Fr. Franc	4.4738
	Sp. Peseta	66.35
	Ang. Escudo	27.50
	E. Caribbean $	2.3708
...na	Ar. Peso (m)(†)	71.00
...ia	Australian $	0.7936
	Schilling	18.31
	Port. Escudo	27.50
...as	Ba. $	1.00
...desh	Taka	14.8017
	Dinar	0.3958
...c Is.	Sp. Peseta	66.35
...os	Barbados $	2.0047
	B. Franc (m)	39.06
	B $	1.9756
	Bda. $	1.00
	Indian Rupee	8.9365
	Bolivian Peso	20.30
...na	S. A. Rand	0.8695
	Cruzeiro	9.395
...m. Is.	Australian $	0.7936
...gin Is.	U.S. $	1.00
	Brunei $	2.4865
	Lev	0.96
	Kyat	6.5691
	Burundi Franc	78.50
...ia	Riel (a)	10,000.0
...un Rp.	C.F.A. Franc	223.69
	Canadian $	0.9945
...Is.	Sp. Peseta	66.35
...erde Is.	Cape V. Escudo	27.50
...Is.	Cay. Is. $	0.8350
...l. Rp.	C.F.A. Franc	223.69
	C.F.A. Franc	223.69
	Ch. Peso (m)	10.00
	Renminbi Yuan	1.9467
...ia	Col. Peso (m)	33.585
...s I'ds	C.F.A. Franc	223.69
...(B'lle)	C.F.A. Franc	223.69
...ica	Colon	8.57
	Cuban Peso	0.8269
	Cyprus £	0.3964
...lovakia	Koruna (m)	5.8777
	C.F.A. Franc	223.69
	Danish Krone	6.1250
	E. Caribbean $	2.3708
...Rep.	Domin'cn Peso	1.00
	Sucre (o)	24.925
	Egyptian £	0.3905
	Ethiopian $	2.0693
...inea	Peseta	66.35
...Is.	Falkland Is. £*	2.0246
	Danish Krone	6.1250
	Fiji $	0.8800
	Markka	3.8345
	French Franc	4.4738
...in Af.	C.F.A. Franc	223.69
...ana	Local Franc	4.4738
...Is.	C.F.P. Franc	88.69
	C.F.A. Franc	223.69
	Dalasi	1.9756
...y (E)	Ostmark (m)	2.5880
...y (W)	Deutschemark	2.5880
	Cedi	1.1538
	Gibraltar £*	2.0246
...ice Is.	Aust $	0.7936
	Drachma	35.249
...nd	Danish Kroner	6.1250
Grenada	E. Caribbean $	2.3708
Guadaloupe	Local Franc	4.4738
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	19.84
Guinea Bissau	Port. Escudo	27.50
Guyana	Guyanese $	2.3561
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	5.0010
Hungary	Forint (m)	20.65
Iceland	I. Krona	171.10
India	Ind. Rupee	8.9365
Indonesia	Rupiah	415.0
Iran	Rial	68.375
Iraq	Iraq Dinar	0.2953
Irish Rep.	Irish £*	2.0246
Israel	Israeli £	7.38
Italy	Lira	788.63
Ivory Coast	C.F.A. Franc	223.69
Jamaica	Jamaican $	0.9091
Japan	Yen	301.73
Jordan	Jdn. Dinar	0.3310
Kenya	Ken. Shilling	8.2770
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484
Kuwait	Kuwait Dinar	0.2935
Laos	Kip (a)	5,000.0
Lebanon	Lebanese £	2.4725
Lesotho	S African Rand	0.8695
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.5628
Luxembourg	Lux. Franc (m)	39.06
Macao	Pataca	5.2868
Madeira	Port. Escudo	27.50
Malagasy Rp.	MG Franc	223.69
Malawi	Kwacha	0.9068
Malaysia	Malaysian $	2.5730
Maldive Is.	Mal. Rupee	7.8970
Mali Rp.	Mali Franc	447.38
Malta	Maltese £	0.4062
Martinique	Local Franc	4.4738
Mauritania	Ouguiya	44.74
Mauritius	M. Rupee	6.5945
Mexico	Mexican Peso	12.4906
Miquelon	C.F.A. Franc	223.69
Monaco	French Franc	4.4738
Mongolia	Tugrik (m)	3.3555
Montserrat	E. Caribbean $	2.3708
Morocco	Dirham	4.2534
Mozambique	Moz. Escudo	27.50
Nauru Is.	Aust. $	0.7936
Nepal	Nepalese Rupee	18.500
Netherlands	Guilder	2.6600
Neth. Ant'les	Antillian Guild	1.80
New Hebrides	Aust. $	0.7936
	Fr. Franc	4.4738
N. Zealand	NZ $	0.9557
Nicaragua	Cordoba	7.02625
Niger Rp.	C.F.A. Franc	223.69
Nigeria	Naira	0.6235
Norway	Nrwg. Krone	5.5165
Oman Sultanate of	Rial Omani	0.3454
Pakistan	Pkst. Rupee	9.8948
Panama	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua N.G.	Kina	0.7938
Paraguay	Guarani (m)	126
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	45.00
Philippines	Ph. Peso	7.4854
Pitcairn Is.	NZ $	0.9557
Poland	Zloty (m)	19.92
Portugal	Port. Escudo	27.50
Port Timor	Timor Escudo	27.50
Principe Isle	Port. Escudo	27.50
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9650
Reunion Ile de la	French Franc	4.4738
Rhodesia	Rhd. £	0.617
Romania	Leu	5.01
Rwanda	Rwanda Franc	92.34
St. Christopher	E. Caribbean $	2.3708
St. Helena	£ Sterling*	2.0246
St. Lucia	E. Caribbean $	2.3708
St. Pierre	C.F.A. Franc	223.69
St. Vincent	E. Caribbean $	2.3708
Salvador El	Colon	2.50
Samoa (Am)	U.S. $	1.00
San Marino	Italian Lira	788.63
Sao Tome	Port. Escudo	27.50
Saudi Arabia	Ryal	3.5350
Senegal	C.F.A. Franc	223.69
Seychelles	S. Rupee	6.5540
Sierra Leone	Leone	0.9878
Singapore	Singapore $	2.4868
Somali Rep.	Som. Shilling	6.2950
Sth. Africa	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain	Peseta	66.35
Span. Ports in N. Africa	Sp. Peseta	66.35
Sri Lanka	S.L. Rupee	7.6979
Sudan Rp.	Sudan £	0.3482
Surinam	S. Guilder	1.7881
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.3755
Switzerland	Swiss Franc	2.5828
Syria	Syria £	3.6750
Taiwan	New Taiwan $	37.97
Tanzania	Tan. Shilling	8.2770
Thailand	Baht	20.40
Togo Rp.	C.F.A. Franc	223.69
Tonga Is.	Pa'anga	0.6842
Trinidad	Trin. & To'go $	2.3708
Tunisia	Tunisian Dinar	0.4223
Turkey	Turkish Lira	15.15
Turks & C's	U.S. $	1.00
Uganda	Ug. Shilling	8.2770
Utd. Kingdom	£ Sterling*	2.0246
Un'd A'b Emir	UAE Dirham	3.9499
USSR	Rouble	0.7580
Upper Volta	C.F.A. Franc	223.69
Uruguay	Urug. Peso (m)	2.9058
Vatican	Italian Lira	788.63
Venezuela	Bolivar (m)	4.29
Vietnam (N)	Dong (a)	2.28
Vietnam (S)	Piastre (a)	2.28
Virgin Is US	U.S. $	1.00
Western Samoa	Samoan Tala	0.6666
Yemen	Ryal	4.5300
Yugoslavia	New Y. Dinar	18.00
Zaire Rp.	Zaire	0.560
Zambia	Kwacha	0.6435

...Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (o) Official rate. ...Dollars per sterling unit. † Argentine peso: commercial rate for peso is no longer being quoted; above rate is same as ... rate.

The Property Market

BY QUENTIN GUIRDHAM

'Excessively low' yields warning from Pru

Privately, many managers and advisers are worried by the high prices which the favourite classes of investment properties are now fetching. Publicly, they are more reticent. No one wants to be thought to be knocking a market to which confidence has only recently returned.

What follows may be worth quoting at length since it comes from M. H. Mallinson, deputy chief surveyor of Prudential Assurance, a body which, because of its dominant position in so many markets, has grown used to weighing very carefully any words of wisdom it has to offer.

Mallinson is writing in an investment bulletin put out by Vanbrugh Life Assurance, the company which Prudential rescued from Vavasseur and with which it is now making an aggressive push into the unit-linked life sector dominated by Abbey Life and Hambro Life.

He writes that the improvement in the property market continues, but remains "confined for the most part to prime rack-rented investments. This demand is substantially fuelled by pension funds and similar purchasers who often rely on outside advice. Inevitably these funds tend to concentrate on a particular section of the market and at present the small 'prime rack-rented' property has become the fashionable area for investment. The impact of this demand has driven down the yields available on the limited supply of suitable properties. In view of the underlying weakness of rents, with no sign yet of any recovery, and the background of historically high interest rates, yields in a few cases seem to have reached excessively low levels. Moreover it is always possible that the funds which are undertaking these investments might adopt a change of policy towards that area of the market which they are currently favouring, producing the danger of a marked reaction in values.

"As an illustration, Vanbrugh recently considered the purchase of a small modernised office building in a good position in the West End of London which was rack-rented to an excellent covenant at about £10 per square foot. The property was ultimately sold elsewhere on a yield of 5¼ per cent. There is a wide gap between a yield of this magnitude and the returns available from, for example, long gilts which currently yield about 13½ per cent. This differential can be justified only on the assumption that there will be a strong growth in rents for many years to come.

"One cannot discount such a scenario while inflation remains a major pre-occupation and the judgment of the 'correct' rate for any property remains a fine one. However, it was decided that Vanbrugh was not willing to follow the market to these levels at present and we withdrew to seek other opportunities."

It should be stressed that this is written in the context of a tiny fund—Vanbrugh only had £4.1m. in its property fund when the January figures were taken. Cynics might also say there is an element of sour grapes, since at that stage only 30 per cent. of this new (started January 1974) fund was invested, with 70 per cent. in cash. (In practice, existing commitments and completions will soon reverse this ratio, so Vanbrugh will not be far off its desired liquidity ratio.) Also, because of its size, Vanbrugh is in the "worst" sector of the market—the West End building referred to cost under £½m. — where small, and often new pension funds, without direct property investments until recently, are with some growing signs of desperation trying to get a foothold in the market.

But, despite these special circumstances, when a senior man from the Prudential uses the word "excessive," this amounts to strong language.

Thinking back six or nine months, it seems remarkable that part of the investment market should have reached this point so swiftly. We have barely emerged from a period which contained the supposed contradiction of high inflation and diminishing rental values, yet many experienced property men share the misgivings expressed in the Vanbrugh bulletin, while expressing their views of some recent pension fund purchases in far less polite terms.

There are no easy solutions and the Mallinson view could, of course, be proved wrong. But two underlying factors remain: the open-ended funds have less flexibility to stay out of overheated markets, and the average level of property investments by private and public superannuation funds is still below 15 per cent., while there remains a common instinct that, eventually, 25 per cent. or more should be in property.

Bournemouth waits for major lettings

The sale of Bracken House in Christchurch Road, The Lansdowne, Bournemouth, is an unusual one which serves to emphasise the faith many developers and investors have in this centre. This faith has, in recent years, overflowed from the "natural" centre in Bournemouth, within which Lansdowne has been the council-designated area for most office development, over into the adjoining centres of County Gates and Poole.

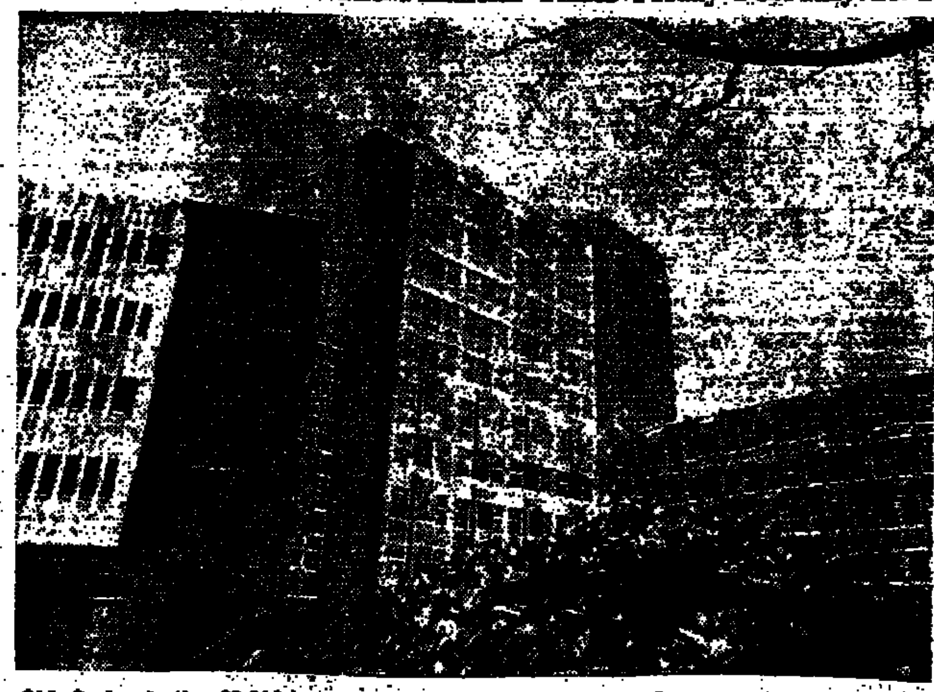
The original reason for the County Gates and Poole expansion was the celebrated drawing of the ODP boundary. Now the policy has been relaxed for Bournemouth as well, the new centres have, in a sense, to prove their intrinsic worth. There may be some nervousness about the staff market in Poole, for instance, since Barclays Bank International's 457,000-square-feet block is now open, with 800 jobs transferred, 500 local recruits and an eventual total of 2,000. Barclays will not, as was first thought, be letting any space.

Beside Tarmac's 19,000-square-feet development there, the test case in Poole looks to be the Electricity Supply Nominees 80,000-square-feet Old Orchard block, marketing of which begins shortly. There are two special factors. One is that this is the only large unit available, not just in Poole but in Bournemouth and County Gates as well. The other is that it is not, though finished to a high standard, air-conditioned. Some potential tenants may see this as a positive bonus.

At County Gates, there is now the 13,000 square feet left in Frizzell House, first occupied by the Barclay's advance guard, and also 20,000 square feet in the Marler Estates' development, most of which has gone to Gresham Life Assurance Society. But it is in Bournemouth itself that most of the medium size blocks of up to 35,000 square feet are available (the deal where Abbey Life last year bought the Abbey Property Bond Fund's development for its own occupation took the only bigger unit off the market).

Keith and Henderson has suffered the traditional jinx on circular buildings with its 35,000 square feet Compton House, where reduced car-parking facilities are also quoted as a problem. Waverley House, the Whitbread Trafalgar development of 26,000 square feet, is also available. Most of Law Land's Hill House is under offer. Amalgamated Investment and Property has a new unit nearing completion in Oxford Road, totalling 35,000 square feet. On its "garden" project, away from the centre by Riverside Avenue, where up to ½m. square feet was envisaged and there is planning consent for 200,000 square feet, a pre-let would seem to be essential before there is significant progress. Heron is currently developing a black in Christchurch Road in which the National Westminster will take space, leaving perhaps 35,000 square feet, and in Christchurch there is still 15,000 square feet in Leigh's Caxton House.

The total available in this list, on most of which Goadsby and Harding are agents, is around 200,000 square feet. It is hard to find anyone who considers this a dangerous level, considering the attractions of the area which are borne out in most market research done on relocating London companies. The impression is that there are one or two large lettings in the pipeline.



Old Orchard, the 80,000-sq.-ft. block at Poole which could prove whether this cen[tre has] lasting appeal or whether it was simply Office Development Permit restrictions [that] drove relocating companies there. The development was taken on at an early s[tage by] Electricity Supply Nominees. Agents are Richard Ellis and Goadsby & Hard[ing].

The faith of Bracken House's anonymous buyer must rest on confidence in future rents leaving behind the present £3.50 to £4 per square foot levels for new space and lifting that for older property. But this is an unusual deal since there are few private buyers around in the £800,000 range which the 57,000 square feet net development fetched.

The Bournemouth office of Bernard Thorpe and Partners represented this buyer, who will have to wait 12 years for the major rent review. Leased to the Department of the Environment and the Post Office, the major lease is for 42 years with a review at the 21st. At present the rent roll is less than £50,000, but doubtless there are significant tax advantages to the individual in this income pattern.

The vendor is Samuel Properties, represented by Hudson and Son who had dealt with the original site acquisition and development.

OUT AND ABOUT

- Jones, Lang, Wootton has opened a third German office, adding Dusseldorf to its Frankfurt and Hamburg operations. Richard Ellis France has been appointed sole agent to let or sell the remaining 270,000 square feet in the Tour Fiat, La Defense, Paris.
- Save and Prosper's property Pension Fund has paid £140,000 for the freehold of Rycote House, Aylesbury. The 3,169 s[q. ft.] containing a dental su[rgery and] offices occupied by Llo[yds] show an initial net yie[ld of] 9 per cent. to Save an[d Prosper] whose property adv[isers are] Healey and Baker.
- Imperial Group Pen[sion Fund] has paid more than [...] Ridgeland Properties f[or ...] land House at Dyke Ro[ad ...]. It is a 29,000 sq. ft. bl[ock ...] Midland Bank, Thornt[on ...] Nominees and [...] Express. Hillier Parker [...] Rowden acted for [...] Richard Ellis acted for [...] and along the coast in [...] acting with Dorland and [...] for the RMC Pension Tr[ust ...] also purchased 39/40. O[...] for £282,000. The office[s are sub]ject to a leaseback at [...] of £20,000.

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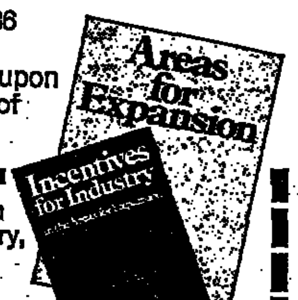

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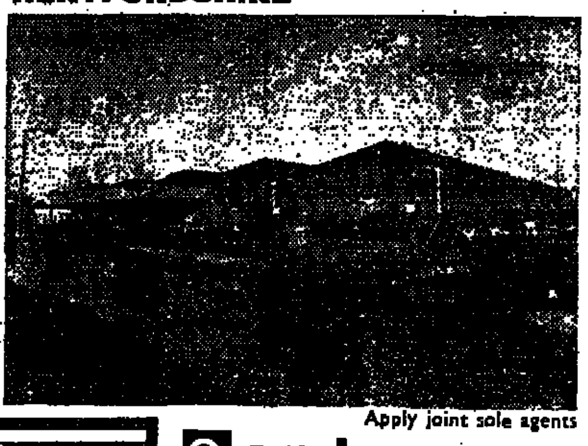

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مكاتب الأعمال

Letters to the Editor

The next pay round

From Mr. S. Jackson.

Sir,—It is somewhat ironical to hear trade unionists express the view that "deferred wages" are inflationary. There is no denying an improvement to a company pension scheme involves an employer in an increase in wage related costs. A figure of 3 per cent. to 4 per cent. of *pensionable* payroll often produces quite reasonable improvements to pension schemes. Whether this 3 per cent. to 4 per cent. actually finds its way into increased prices is less arguable particularly if part of the increase is recovered from employees themselves in increased personal contributions.

It is even less arguable if one considers the impact of the total investment of pension funds on industrial activity. Where would the Stock Market be but for the support of the pension fund managers? I assume, of course, that this Government wishes to see a healthy and viable Stock Market.

To allow existing pensioners to receive increases in their income while denying the active member to increase his deferred savings would also seem anomalous. Is it not true that pension schemes were included in the voluntary pay code by mistake?

As we approach the new round of voluntary pay policy negotiations it would seem sensible to remove pension schemes once and for all. The Government has said that we can negotiate improvements after August of this year providing they do no more than meet the minimum requirements of the Society Security Pensions Act 1975. Why should any trade unionist negotiate from August this year something which he will get anyway in April 1978?

If pension schemes were removed from the next round of pay negotiations the Government would be in a better position to agree a lower direct wage increase (say, £4 per week) which would leave trade unionists to negotiate whatever improvements to pension schemes they could get bearing in mind that the Inland Revenue control this maximum amount of benefits which can be set up for any individual in any event.

S. J. Jackson.
Director.
Towry Law (Pension Services).
Towry Law House,
High Street,
Windsor, Berks.

Pensions and people

From The Head of Pensions and Social Services Department. General and Municipal Workers' Union.

Sir,—With the timetable for consultation to meet the requirements of the Social Security Pensions Act to be determined, we are seeing a welcome increase in the number of pension schemes, new or improved, that are coming forward. There is still a reluctance on the part of some managements, however, to negotiate these schemes with the unions, despite new statutory provisions.

There are other managements who, while willing to negotiate, believe that their responsibility stops there. But a negotiated scheme that is inadequately communicated is neither appreciated nor understood. A one-off distribution of explanatory booklets, no matter how good, does not suffice. It is not capitalising on the goodwill that can be engendered by members having annual statements of benefits, costs, investments, etc.

Nor is a one-way flow of information enough. A consultative or advisory structure going down to shop floor level, in a company of any size, is important for creating awareness, not only among the members of the value (and the problems) of their scheme, but also for allowing feed-back of problems, worries, or dissent.

One would expect representatives on any joint pensions advisory committee to discuss, for instance, problems of investment, the significance of wage and salary increases on the cost of final salary schemes, against the background of an abnormal or spluttering rate of inflation, the necessity and difficulties of increasing pensions already in payment, and so on. Pensions are not paternalistic largess—they are deferred pay.

Harry Lucas.
Thorne House,
Rurley Ridge, Claygate,
Esher, Surrey.

Old myths and new realities

From Mr G. Frost.

Sir,—Many of the opinions expressed by Joe Rogaly in Old Myths and New Realities (February 18) bear a pleasing likeness to the views and utterances of those emanating from the Centre for Policy Studies. This is immensely encouraging since it was always intended that the Centre should have a strong educative influence.

It is probably true that Mr. Rogaly is a late convert to market principles and to the cause of a more efficient labour market in particular. But as in the case of economic phenomena there is no doubt a lag between cause and effect.

In referring, however, to the Centre, Mr. Rogaly's grasp of new realities is less than total. He seems to imply that the Centre's aim in trying to help avoid a general reflation by stressing the misleading nature of official unemployment figures and their tendency to overestimate, somehow entails a determination to see absolutely nothing done about unemployment. In fact in articles and publications and in speeches by the Centre's chairman, Sir Keith Joseph, we have constantly stressed the urgent need to tackle the problem by making labour markets more efficient through encouraging occupational and geographical mobility. We have argued that to achieve this housing policies need to be drastically revised, restrictive practices and demarcation agreements abolished, pre-entry qualifications scrapped, apprentice schemes modernised and our present ill-designed social security system revamped. Mr. Rogaly has failed to inform himself properly of our case.

He also asserts that we get into "difficulties" in talking about "unemployables" (Mr. Rogaly's word not ours and an inaccurate one since some of those "difficult to place" do sometimes get jobs) and in talking about those between jobs. He doesn't, however, inform his readers—or us—what these "difficulties" are. It is his turn to educate us.

Gerald Frost.
Centre for Policy Studies,
8, Wilfred Street, S.W.1.

Freight by rail

From Mr. P. King.

Sir,—The Public Positions Officer for British Rail Eastern Region complains (February 9) about the failure to mention rail freight in one of your features. One might complain about his failure to mention that rail freight was subsidised to the extent of £70m. last year and it is said that such subsidies will continue until 1978, although the Under-Secretary of State for the Environment says that there is "no statutory cover" for a freight deficit.

It is well known that the taxpayer is now paying more than the passenger for every journey travelled by British Rail, and if the board's attitude to freight remains as euphoric as the letter suggests, it will not be long before the taxpayer is paying more for every parcel than the consignee. The fact is that as each year goes by, the freight customer prefers to use road transport, and unless British Rail can be certain of the financial viability, they will be unwise to encourage expansion of increasingly loss-making freight services.

The Public Relations Officer's letter makes much of private sidings but in a recent parliamentary debate it was admitted that 57 such sidings closed in 1975 while only three were under consideration for opening—on a grant-aided basis.

Peter King.
75, Gloucester Street, S.W.1.

Tax hits farming

From Sir Ian Macdonald of Sleat.

Sir,—Much has been said and written about the present proposed legislation to give farm tenants' children and close relatives the opportunity to succeed to the tenancy, and some of it in a near hysterical fashion by concerned private landlords, and tenants who consider that their family has a right to farm a particular holding for evermore.

The National Farmers' Union stand on this question of succession is eminently sensible and fair. As is already the case, most good tenants' sons do succeed their fathers and the NFU would appear only to want to put this arrangement within the scope of The Agricultural Holdings Act 1947 and thus ensure that genuine cases of hardship do not occur.

When both sides to this argument have a chance to calm down and think a little deeper about the problem, I hope that they will realise they have overlooked the real cause of the situation. Taxation is at the heart of the matter, not whether a tenant or an owner-occupier should farm a particular holding. Landlords have been compelled to take farms in hand, to generate earned income, and now with this new capital transfer tax it is only the owner-occupiers who will qualify for the reliefs. Thus both landlords and their tenants are affected by this one cause; the former's actions are dictated by taxation, hence their taking of farms in hand, and the latter by the ever-decreasing number of farms put on the open market to let.

Ian Macdonald of Sleat.
Thorpe Hall, Rudston,
Driffield, Yorkshire.

Timber stocks

From the Director-General, The Timber Trade Federation.

Sir,—The article by your Nordic Correspondent, February 10, gives prominence to the view of a young research writer at a Swedish University that U.K. timber importers are behaving irrationally in not rushing to buy Swedish timber. This claim is said to be based on an array of computerised statistics. When the arguments are examined, however, it appears that in effect they rest mainly on the assumption that the world position is similar to that existing just before the 1972/73 boom.

It is correct that softwood stocks in the U.K. at the end of 1975 were approximately the same as at the end of 1972. It is, however, surely unrealistic to suppose that in 1976 the U.K. economy is going to experience a boom of 1973 proportions. It does not therefore follow that a stock level that turned out to be low in relation to 1973 requirements is inadequate now. Importers' judgment of the U.K. market's requirements in 1976 is more reliable than Mr. Uhlin's computer, and so far from encouraging a violent rise in prices by their restraint in entering the market at the end of last year they can claim to have made a major contribution to steadying them. It could be highly dangerous to re-create the atmosphere of 1972/73, and this can surely not be laid at the door of U.K. importers exercising this restraint.

S. Redman.
Clareville House,
Whitcomb Street, W.C.2.

Snobbish piffle

From Mr. B. Hughson.

Sir,—I feel I must comment on the TV critique by Mr. Chris Dunkley (February 11). Although agreeing with much he says on the weekly chat shows, I wholeheartedly dispute his snobbish piffle over "Read all about it."

Surely the one equivocal fact about paperbacks is that they are read and savoured by a whole cross section of society and therefore it must be, and is, refreshing to hear what a cross section of people (or as near as TV can give) have to say about them. To give us four Margaret Drabbles airing their so called intellectual views on the style, literary merits etc. of a particular piece of writing, be it a novel, biography or Spike Milligan, would drive a large percentage of our populace back to "Beano." Long live Bragg and his "Sportsman, actors, actresses, trade union leaders and what have you" who deliver varied and often humorous discussions on our beloved paper-backs, and may Dunkley be at least sentenced to life "imprisonment" with V. S. Pritchett.

Barrie Hughson.
10 Brooklyn Close,
Woking, Surrey.

Industry-based unions

From a Regional Official, London Region, General and Municipal Workers' Union.

Sir,—The letter from Mr. P. D. Liddiard (February 16) brought to mind the simple answer to a very complicated problem; and everyone knows that there is no such thing. He suggests that the TUC should give its affiliates a stronger policy lead on a move to industry-based unions. Could it be too much to ask Mr. Liddiard to do a little bit of research and give at least some credit where it is due?

Debate on this particular subject has occupied a great deal of thought and effort for at least two decades within the trades union movement. To prove the point, although the numbers of affiliated members to the TUC have increased from 8.8m. in 1966 the number of affiliated trades unions have been condensed by mergers, etc., during the same period from 170 to 109 unions with an affiliated membership of over 10m.

We must also remember that some of the men responsible for this development were the prime movers in setting up the West German trades union movement. Therefore, we must agree that it is accepted that there is a need for rationalisation at the highest levels and a certain amount of effort has been put into this.

Nevertheless I cannot accept that pure industrial unions are the answer as this would produce more unions, rather than fewer. If, for instance, we take the extractive industries like china clay, brick manufacture, cast stone, concrete and cement we will see that they are all covered by the two largest general unions in the main, without demarcation disputes. The same unions have very substantial membership in rubber and plastics manufacture as well as heavy chemicals and pharmaceuticals. At the same time they have hundreds of thousands of members in the engineering and allied industries. We must remember that there are more trades unionists outside the largest engineering union than there are within it. Bearing these facts in mind it will be seen that the problem is not a simple one, as if by some miracle (or mischief) 10½m. trades unionists were placed strictly within a union catering for their industry, then we would have many more than we do now, maybe including the plastics bucket makers union or the pot scourers makers union. At that rate we would have more trades unions than employers federations who at this time outnumber the union several to one.

The answer is, I agree, fewer trades unions but these should be of a general character with clearly defined trades groups. This would allow a production worker in a car factory to move into local government, the chemical industry or many others without changing his union and without losing benefits he has accrued over the years.

In the future a trades unionist may have to be retrained several times in his working life as demands for a particular commodity or trade die. Membership of a general union spanning several industries allows this to happen with the least inconvenience to the trades unionists or their employers. 1976 and onward allegiance will not be to one employer (takeovers etc.) or to one trade—we must all be in a state of flux. The sooner we learn this lesson the better for the U.K.

James McDougall,
18, Matthew Street,
Dunstable, Beds.

Not far enough

From Mr. J. Sawtell.

Sir,—No doubt symbolism is an acceptable part of the advertising game but is not our national oil company going a little too far? The poster currently appearing on the hoardings heralds a new era in British oil. It depicts, in a somewhat bleak landscape, a road entirely devoid of vehicles apart from a petrol tanker which appears to have run out of fuel!

John C. Sawtell.
Hope Cottage, Station Road,
Holt, Trowbridge, Wiltshire.

APPOINTMENTS

Pilkington to join Board of BP

Sir Alastair Pilkington, chairman of Pilkington Brothers, has been appointed to the Board of BRITISH PETROLEUM with effect from March 1.

★

Lord Plowden is to retire as chairman of TUBE INVESTMENTS and will be succeeded by his deputy, Mr. B. S. Kellett, who will also be a managing director. Mr. R. M. Bagnall will become a deputy chairman. Lord Plowden, 69, has accepted an invitation to become president.

★

Mr. E. H. Billig has given up the executive side of his duties as CONSOLIDATED PNEUMATIC chairman. Mr. T. A. Ammer has been appointed managing director. Mr. K. Lall, Mr. J. O. Moench and Mr. D. Wheland have been elected to the Board, while Mr. H. S. Parsons and Mr. R. Field have resigned.

★

Mr. Reuchi Shimamoto, chief representative in Europe of the BANK OF JAPAN, will return to Japan in March as adviser to the Governor. He will be replaced by Mr. Takeshi Ohta.

★

Mr. Robert Hart is to join the Board of SHELL TRANSPORT AND TRADING on July 1. It is intended that Mr. Hart, a U.S. national who has been a director of Shell International Petroleum since 1974, should become a managing director of Shell Petroleum.

★

Sir George Bishop, chairman of Booker McConnell, has been appointed chairman of the industry co-operative programme of the UN FOOD AND AGRICULTURE ORGANISATION.

★

Mr. Geoffrey Knight, a director of Guinness Peat group and executive vice-chairman of Fenchurch Insurance Holdings, has been appointed chairman of FENCHURCH INSURANCE BROKERS—three recently formed companies—for the North, the North-West and the Midlands. The director with overall executive responsibility for the provincial companies will be Mr. David Jago.

★

Mr. John Hill, of Bickley, Kent, president of Standex's two electronics operations—Standex Electronics Division of Cincinnati and Comtelco (U.K.)—has joined the Board of STANDEX INTERNATIONAL, of Massachusetts, the parent company.

★

Mr. P. J. Thaxter has been appointed managing director of SPEAR AND JACKSON (INDUSTRIAL). He is at present general manager of the Tools Division of Hall and Pickles, Ecclesfield.

★

Mr. Sidney R. Badley has become a director of POLYPLAN following his retirement from BP Chemicals International. Mr. John S. Crosby has also joined the Board.

★

Mr. R. M. Huxtable is to be chairman and chief executive of BRICKHOUSE DUDLEY in succession to Mr. J. Goodridge, who will remain on the Board. Mr. E. R. Dudley is to become deputy chairman and Mr. C. G. Taylor and Mr. W. S. Lowe joint managing directors.

★

Mr. M. H. Hare has been appointed a director of WALTHOM MANAGEMENT SYSTEMS.

★

Sir Kenneth Barrington was yesterday appointed deputy chairman of BAKER PERKINS HOLDINGS, Peterborough. Mr. Niall Macdiarmid was elected to the Board.

★

Three BRITISH RAILWAYS regions are to have new general managers this year when Mr. W. O. Reynolds (Eastern region) and Mr. F. M. Wright (Western) retire. They are: Eastern, Mr. D. J. Cobbett, now general manager, Scottish region; Western, Mr. L. Lloyd, now chief operations manager, BRB HQ; and Scottish, Mr. J. Palette, now divisional manager, Manchester LM region.

★

Mr. Dennis P. Webb, former marketing director, has been appointed director and general manager of SALTERFIX, of Smethwick, part of the George Salter Group.

★

Mr. John Walker has been appointed an associate director of BASTABLE ADVERTISING AND MARKETING.

★

Mr. Michael E. Wood has joined the Board of MILWARD AND SONS.

★

Following Wigham Poland's acquisition of the Bateson and Royne group, Mr. C. M. Sasserath, Mr. D. H. Evans, Mr. J. E. G. House, Mr. M. K. Rossor and Mr. G. M. de P. Tardif have been appointed to the Board of BATESON AND PAYNE (CONTRACTORS' BROKERS), on which Mr. V. P. Caira and Mr. A. V. Hyrapiet continue. WIGHAM POLAND CONTRACTORS has been formed to link the parent company with Bateson and Payne, the directors being Messrs. Sasserath, Caira, Hyrapiet, House and Evans.

★

Mr. Stanley Elliott Littlechild has been appointed a director of MARSHALL'S UNIVERSAL.

★

Mr. Kenneth A. Sharpe has been appointed director and general manager of SCIENTIFIC-ATLANTA (U.K.).

To-day's Events

GENERAL

Mr. Anthony Wedgwood Benn, Energy Secretary, meets electricity and coal industry chiefs and union representatives as a first step towards establishing a national energy policy. Church House, Westminster.

The Duke of Edinburgh, Admiral of the Fleet, visits Prince Charles of board H.M.S. Bronington.

Mrs. Margaret Thatcher, Conservative leader, visits St. Austell on the first day of trip to the West Country.

Mr. Francois-Xavier Ortoli, president of European Communities Commission, expected to end official visit to Canada.

Mr. David Owen, MP, attends meeting of Tavistock constituency Labour Party.

Sir Lindsay Ring, Lord Mayor of London, attends presentation of the International Award for Valour in Sport luncheon at Guildhall.

PARLIAMENTARY BUSINESS

Private Members' Bills.

OFFICIAL STATISTICS

New vehicle registrations (January).

COMPANY RESULT

Wintrust (half year).

COMPANY MEETINGS

Burco Dean, Great Eastern Hotel, E.C., 12.
Raeburn Investment Trust, 21, Moorfields, E.C., 2.30.
Seafield Gentex (Ordinary General Meeting), Youghal, 8.
Simons, 4, London Fruit Exchange, Spitalfields, E., 12.
Wearra, Kettering, 12.
Western Selection and Development, 25, City Road, E.C., 11.30.

OPERA

D'Oyly Carte Opera in The Gondoliers. Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

Folk Festival '76, Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Tennis: BP International Cup, Torquay.
European Nations Cup: Great Britain v. Yugoslavia, Nottingham.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index up 15.67 in record 39m. volume

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 19.

THE ADVANCE gained momentum on Wall Street to-day, when a buying stampede sent the volume to an all-time record of 39.21m. shares, following some optimistic appraisals of the economic outlook.

The Dow Jones Industrial Average shot up 15.67 to 975.76 and the NYSE All Common Index rose 87 cents to $54.26, while rises led falls by 1258 to 373. The volume 39.21m.—rose 9.31m. on the day and compared with the previous record of 38.51m. set last January 30.

Economic consultants to the U.S. Business Council forecast a 25 per cent. gain in pre-tax Corporate profits this year, an inflation rate of 6 per cent. to 6½ per cent., and a drop in the unemployment rate to 7 per cent. by the end of the year.

Mr. Alan Greenspan, Chief White House Economic Adviser, said the U.S. economic recovery continues and is fairly solid. He also said substantial progress has been made against inflation.

Further, Dr. Arthur Burns, Federal Reserve chairman, told Congress that the Fed's long-term targets for growth of the money supply will appear reasonable.

The Stock Market also continued to receive support from American Telephone's increased quarterly dividend.

American Telephone put on another $½ to $57¼.

Mountain States Telephone advanced $1¼ to 23 on a quarterly dividend of 42 (37) cents a share.

Ethyl lost $1⅜ to $41⅜ — it expects an after-tax loss of $4m. to $5m. on the planned sale of its Oxford Paper Division.

Marathon Oil gained $1⅞ to $48½ on an agreement to pump 50,000 more barrels of oil a day out of the Yates Oilfield.

Harnischfeger moved ahead $2½ to $37½ on higher January quarter net.

Halliburton jumped $7½ to $158, folowing a three-for-one stock split plus a quarterly dividend increase.

Cummins Engine added $3 at $26½—it is selling its frigiking unit.

Schlumberger improved $4⅛ to $78¼ on its higher earnings.

International Paper was up $3⅛ to $75⅜, Digital Equipment $4½ to $162½ and General Motors $1½ to $64⅜.

The American SE Market Value Index jumped 1.81 to 102.95 and the volume soared to 7.58m. (5.13m.) shares.

Instrument Systems the most active issue rose $⅜ to $1⅞ on 438,400 shares.

Data Products were up $1⅞ to $11⅞ and Lincoln American $⅜ to $4¼.

Canada strong

Canadian Stock Markets also moved strongly ahead in heavy trading yesterday.

The Industrial Share Index gained 2.30 to 195.28, Western Oils 4.05 to 224.54, Papers 2.14 to 128.89, Utilities 1.65 to 143.20 and Base Metals 0.44 to 86.61. Banks firmed 0.01 to 251.66 but Golds lost 1.36 to 283.82.

Dome Petroleum advanced $1¼ to $36, Dominion Bridge $1 to $32¼ Dupont of Canada $1 to $22 and Massey-Ferguson $1¼ to $29¼.

OTHER MARKETS

PARIS—Generally higher, although trading was slow due to end-Account considerations.

Financials, Motors, and Oils were steady, Engineerings eased, while Metals and Chemicals were mixed.

Americans, Germans and Belgians gained ground. Dutch issues eased, Canadians were steady, International Oils and Golds were mixed, while Coppers were weak.

BRUSSELS—Mostly higher in active trading.

Steels improved. Electricals and Utilities finished narrowly mixed, Metals were mostly easier. Chemicals higher, Oils firmed, while Holdings were steady.

U.S. shares rose, South African Gold Mines eased, while gains predominated among Dutch, French and German stocks.

AMSTERDAM—Narrowly mixed in slow trading.

Banks and Insurances were mixed. Nederlandse Credietbank further improved Fls.2.1 to Fls.54 on speculations about a possible take-over bid.

Bonds gained an average of Fls.0.20 to Fls.0.30.

GERMANY—Mixed after a firm opening, with operators cautious ahead of the Bundesbank Central Council meeting plus the renewed Exchange Market pressure on the Dollar and European Float currencies.

Banks were mostly lower. Electricals weaker. Chemicals advanced, Motors predominantly higher, Machine Makers mainly lower. Steels moved up and Metals were firmer.

Minings were mixed to higher, Utilities and Stores mixed, while Breweries were steady.

Bonds gained up to 0.35, with the Authorities selling DM35m. nominal of stock. Mark Foreign Loans were well-maintained.

OSLO—Banks were barely steady, insurances slightly steadier, while Industrials and Shippings were irregular.

VIENNA—Generally higher on more lively demand, although leading Industrials were slightly depressed.

COPENHAGEN—Mixed with steadier undertone in very active dealings.

SWITZERLAND — Generally higher on selective demand.

Banks were quietly steady, Financials slightly higher and Insurances posted minor gains. Industrial leaders firmed over a broad front.

State Bonds were very steady.

Dollar stocks firmed in active trading. Dutch Internationals were barely steady, while Germans were narrowly mixed.

MILAN—Firmer over a broad front at the start of the new account.

Bonds were quietly mixed.

HONG KONG—Lower in increased trading.

Hong Kong Bank were down 10 cents to $HK21.30, Hong Kong Land 5 cents to 8.30, Hutchison 7½ cents to 2.50, Jardine 10 cents to 25.90 and Hong Kong and Kowloon Wharf 40 cents to 16.90.

TOKYO—Market continued to decline on Foreign and Institutional selling. Volume 140m. (170m.) shares.

Trading Houses, Electricals, and some Export-Oriented shares lost widely on selling.

JOHANNESBURG — Firmer, reflecting renewed confidence.

Gold shares firmed and Mining Financials rose.

Coppers and Platinums also hardened.

AUSTRALIA—Slightly firmer in quiet trading.

Among Uraniums, Kathleen rose 8 cents to $A1.40 and Central Pacific 6 cents to 51 cents.

Consolidated Rutile fell 15 cents to 90 cents.

Woodside Burmah dipped 5 cents to $A1.08 on its $A21m. cash share issue.

Building Materials and Motors moved up. Retailers were generally firm, although G. J. Coles eased to $A1.43.

Elder Smith moved up 10 cents to 2.25.

Bank of NSW fell 10 cents to $A6.50.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb..					
19 ...	71.66	206.64	975.76	89.34	39,210
18 ...	71.60	203.64	960.09	88.48	29,900
17 ...	71.43	202.61	950.57	87.52	25,460
13 ...	71.36	200.86	958.36	88.05	23,870
12 ...	71.32	201.31	966.78	89.16	38,610
11 ...	71.26	202.73	971.90	89.51	32,300
10 ...	71.21	200.41	962.76	89.60	27,660
9 ...	71.22	199.94	957.18	89.47	25,340
6 ...	71.16	198.36	954.90	89.82	27,360
5 ...	71.25	199.82	964.81	91.13	33,780
4 ...	71.16	201.94	976.62	91.90	38,270
3 ...	71.16	189.43	972.61	91.29	34,080
2 ...	71.21	199.03	971.35	91.00	24,000
Jan..					
30 ..	71.26	199.55	976.26	90.87	38,510
29 ...	71.20	198.05	963.75	91.07	29,800
28 ...	71.15	195.84	951.36	90.66	27,570
27 ..	70.92	197.26	957.81	90.75	32,070
26 ..	70.94	197.26	961.51	90.66	34,470
1975-76					
High	71.66 (19/2/76)	206.64 (19/2/76)	976.62 (4/2/76)	91.90 (4/2/76)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	278.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	39,210 (19/2/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 13	Feb. 6	Feb. 14, 1975
3.90	3.91	5.25

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	1975-76 Low	Feb. 19	Feb. 18	Feb. 17	Feb. 13	Feb. 12
54.26 (19/2/76)	37.06 (2/1/75)	54.26	53.39	52.95	53.27	53.55

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,921	1,258	373	290

	Feb. 19	Feb. 18	Feb. 17	Feb. 13	Feb. 12
New Highs	365	194	157	116	234
.. Lows	one	nil	two	three	two

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975-76 High	1975-76 Low	Feb. 19	Feb. 18	Feb. 17	Feb. 13	Feb. 12
	102.95 (19/2/76)	62.20 (2/1/76)	102.95	101.14	100.15	99.54	99.24
Volume (000's)			7.580	5.130	4.460	5.420	5.976

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 19	113.86	101.41
.. 18	112.02	99.55
.. 17	111.12	99.05
.. 13	111.84	99.67
.. 12	112.32	100.25
.. 11	113.10	100.77
.. 10	112.73	100.47
.. 9	111.73	99.63
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (8/1/76)	70.74 (8/1/76)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Feb. 19 1976	Feb. 12 1976	Feb. 19 1975
Ind. Ord. yield pc	3.38	3.35	4.29
Ind. Ord. p/e ratio	13.75	13.88	8.92
Long-term Govt. Bds. per cent.	5.79	5.79	6.04

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan Amer. Air.	620,600	7⅞	−⅛
Ramada Inns	467,100	5⅞	−⅛
Levitz Furniture	413,700	7⅞	−⅛
Amer. Tel. Tel.	301,400	57⅛	−1
Whittaker	295,200	5	+⅛
Massey Ferguson	291,300	29¼	+1¼
Inaic Investment	276,300	16⅞	+1⅛
Polaroid	257,700	40⅛	−⅛
General Motors	247,900	64⅜	+1½
Chicorp	246,790	32⅜	+⅜

TORONTO

INDUSTRIAL INDEX

Feb. 19	Feb. 18	1975-76 High	1975-76 Low
195.28	192.98	198.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 19	Feb. 18	1975-76 High	1975-76 Low
203.12	200.04	205.61 (15/7)	156.03 (2/1)

COMBINED INDEX

Feb. 19	Feb. 18	1975-76 High	1975-76 Low
196.45	193.95	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Feb. 19	Feb. 18	1975-76 High	1975-76 Low
Industrials	206.0	205.2	238.9 (16/7)	180.2 (23/1)
Golds	206.1	206.5	379.1 (12/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 19	Feb. 12	Feb. 5
On Dividends	5.67	5.66	5.56
On Earnings	9.29	9.25	9.26

SYDNEY ALL ORD. INDEX

Feb. 19	Feb. 18	High 1975-6	Low 1975-6
450.28	448.84	472.86 (23/1/76)	282.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 19	Feb. 18	High 1975-6	Low 1975-76
330.75	333.37	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX ⊕

Feb. 19	Feb. 18	High 1975-6	Low 1975-6
413.51	416.12	434.48 (4/2/76)	160.42 (9/1)

SINGAPORE INDEX §

Feb. 19	Feb. 18	High 1975-6	Low 1975-6
266.99	269.41	286.16 (3/2/76)	153.26 (8/1)

EUROPE

	Feb 19	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.44	111.01	113.81 (6/2/76)	89.07 (2/1)
Denm'k (b)	102.89	102.88	107.79 (27/3/76)	73.05 (13/1)
France (d)	70.9	70.6	72.0 (23/4)	51.70 (2/1)
Germ'y (e)	794.0	792.8	797.0 (6/1/76)	575.5 (2/1)
Holland (f)	102.3	103.7	107.6 (6/5)	83.2 (2/10)
Italy (g)	82.16	88.77	108.88 (21/2)	75.41 (17/10)
Spain (h)	91.87	92.60	110.96 (22/4)	91.85 (19/9)
Sweden (k)	411.70	415.65	419.63 (9/2/76)	310.64 (9/1)
Switz'rl'd (m)	294.1	293.3	297.7 (16/1/76)	206.3 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966 (c) Closed. † Adjusted.

$ & £ recover

The U.S. dollar and sterling recovered in the foreign exchange market yesterday, after an early weakness of the dollar had a depressing effect on the pound. Recent speculation about a possible realignment of currencies in the European "snake" showed some signs of reviving but died down later on publication of the French trade deficit for January put early pressure on the French franc. The West German D-mark gained strength from the decision of the Bundesbank council to maintain its present credit policies. The dollar's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York on noon rates, widened to 2.76 per cent. from 2.72 per cent.

Sterling's trade-weighted depreciation, as calculated by the Bank of England, was unchanged at 30.4 per cent., after standing at 30.5 per cent. at noon and 30.4 per cent. in early trading.

The pound touched $2.0260-$2.0270 during the morning, but eased to $2.0230-2.0240, before closing at $2.0235-2.0245, a loss of 5 points on the day.

The Italian lire was slightly weaker, closing at L769¼ against the dollar, compared with L768¼ previously, and its trade-weighted depreciation, on the Morgan Guaranty basis, widened to 43.57 per cent., a fall of 12.85 per cent. since the Italian foreign exchange market was closed last month.

Gold eased $¼ to close at $130¾-$131½. The krugerrand finished at $133½-135½ (£66-£67) for domestic delivery, and its premium over the gold content was unchanged at 2.67 per cent. The premium in the international dealings widened to 3.05 per cent. from 2.86 per cent.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 19	Feb. 18
Sterling	0.577774	0.577160
U.S. dollar	1.16982	1.16950
Belgian franc	45.5762	45.6339
Deutsche mark	2.98304	2.98983
French franc	5.22997	5.23416
Italian lire	—	—
Japanese yen	353.169	353.014
Dutch guilder	3.10587	3.10970
Swedish krone	5.10685	5.11656
Swiss franc	2.98632	2.99474

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 19	Frankfort	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.556-566	57.10-15	6.560-565	5.168-173	96.15-20	95-100.0
N. York	39.12-14	—	22.36-37	2.560-565	2.0245-025	37.62-64	39.11-13
Paris	174.925-325	4.4667-4767	—	11.459-4555	9.0415-0850	168.25-65	174.9-175.3
Brussels	15.25-29	38.96-98	8.71-75	—	76.25-95	14.65-69	15.25-29
London	5.17¼-18¼	2.0236-45	9.05¼-06¼	79.0-20	—	5.38-39	5.17¼-18¼
Am'erdam	104.025-075	2.6537-62	59.41-46	6.8105-55	5.5725-75	—	104.015-065
Zurich	99.96-04	2.5557-67	57.08-12	6.546-56¼	5.1730-65	96.10-20	—

U.S. $ in Montreal. U.S. $=99.20-22 Canadian cents.
Canadian $ in New York $C=100.76-78 U.S. cents. U.S. $ in Milan closed.
Sterling in Milan closed.

EURO-CURRENCY INTEREST RATES*

Feb. 19 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8⅝-9	4⅝-5⅛	7¼-8¼	2-2¼	2⅞-3⅛	¼-1¼
7 days notice	8¾-9	4⅞-5⅛	8-9	2-2¼	2⅞-3⅛	½-1½
Month	8⅝-8⅞	5-5⅛	8-8½	2⅝-2⅞	3¼-3⅝	1⅛-1½
Three months	9-9½	5⅜-5⅞	8⅞-9⅞	3⅛-3⅝	3⅞-3⅝	1⅞-1⅞
Six months	9½-10⅛	5-6½	9⅛-9⅝	3¾-4	3⅞-3⅞	2⅛-2⅜
One year	10⅝-11⅛	6¾-7¼	8¼-8⅞	4⅝-4⅞	4⅝-4⅞	3⅛-3⅞

Euro-French deposit rate: short-term 10-10½ per cent.; seven days' notice 10-10½ per cent.; one month 10½-10¾ per cent.; three months 9¾-9¾ per cent.; six months 9½-9¾ per cent.; one year 9¼-9¾ per cent.

Longer-term Eurodollar deposits: two years 7⅛-7⅜ per cent.; three years 8-8½ per cent.; four years 8¼-8¾ per cent.; five years 8⅜-8¾ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5-5¼ per cent.; three months 5⁵⁄₁₆-5⁷⁄₁₆ per cent.; six months 5¹⁵⁄₁₆-6¹⁄₁₆ per cent.; one year 6⅜-6⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 19 1976	Feb. 18
Gold Bullion (a fine ounce)		
Close	$130¾-131½	$13[illegible]
Opening	$130¾-131½	$13[illegible]
Morning fix'g	$131.00 (£64.675)	$13[illegible]
Afternoon fix'g	$131.00 (£64.691)	$13[illegible]
Gold Coins (domestic'lly)		
Krugerrand	$133½-135½ (£66-67)	$13[illegible]
New Sov'r'gns	$44-46 (£21¾-22¾)	$44[illegible]
Old Sov'r'gns	$42½-44½ (£21-22)	$42[illegible]
Gold Coins (Intern'lly)		
Krugerrand	$134-136 (£66¼-67¼)	$13[illegible]
New Sov'r'gns	$44¼-46¼ (£21¾-22¾)	$44[illegible]
Old Sov'r'gns	$41-43 (£20¼-20¾)	$41[illegible]
$20 Eagles	$215-218	$21[illegible]
$10 Eagles	$103-106	$10[illegible]
$5 Eagles	$72-76	$72[illegible]

FOREIGN EXCHANGES

Feb. 19 1976	Bank Rate %	Market Day's spread
New York	5½	2.0230-2.0270
Montreal	9	2.0095-2.0140
Amsterdam	4	5.37-5.39¼
Brussels	†6	78.80-79.25
Copenh'gen	7½	12.38-12.46
Frankfurt	3½	5.16-5.18
Lisbon	6½	55.40-55.90
Madrid	7	134.05-134.50
Milan	7	1,554-1,560
Oslo	5	11.13½-11.17½
Paris	8	9.03½-9.07
Stockholm	5½	8.83¼-8.87
Tokyo	6½	607-615
Vienna	6	36.70-37.10
Zurich	2½	5.16-5.19

† Basic discount. ‡ Given rates for convertible franc; closing financial franc 81.40-81.65.

OTHER MARKETS

Argentina	145.65-146.55
Australia	1.5638-1.5751
Brazil	18.82-19.12
Finland	7.73-7.74
Greece	70.246-71.672
H'ng Kong	10.09-10.11
Iran	138-141
Kuwait	0.568-0.580
Luxemb'g	78.80-79.20
Malaysia	5.1800-5.2000
N. Zealand	1.9826-1.9447
Saudi Arbia	7.08-7.18
Singapore	5.0110-5.2585
S. Africa	1.7561-1.7697
U.S.—	
Canada	
CSI—	
U.S. cents	180.65-186.65

‡ Based on rates quoted to dealers. ◆ Rate given is Swat rate. Rate given is Swat Interest rate. Freight insurance charges rate 204.27-204.57.

FORWARD RATES

	One month
New York	0.65-0.55 c. pm
Montreal	par 0.10 c. pm
Amst'dam	3-2 c. pm
Brussels	par 20 c. dis
Cop'nhg'n	3 ore pm-par
Frankfurt	2½-1½ pf. pm
Lisbon	50-150 c. dis
Madrid	50c. pm-par
Milan	1lire pm-2 lire dis
Oslo	3½-1½ ore pm
Paris	1½-2½ c. dis
Stockh'lm	2 ore pm-par
Vienna	30-05 gr. pm
Zurich	3½-2½ c. pm

Six-month forward U.S. dollar [illegible] pm, and 12-month 7.25-7.15c [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—107¼% (108½%)

NEW YORK

Stock	Feb. 19	Feb. 18
Addressograph	13⅛	12⅞
Aetna Life & Cas.	27⅜	26¼
Air Products	78⅞	76½
Corning Glass	58⅝	57
CPC Int'nation'l	45⅝	45¾
Crane	69	66¼
Crocker Nat.	25⅛	24½
Crown Zellerbach	45¼	44⅛
Johns Manville	28⅛	28
Johnson Johnson	89½	91⅛
Johnson Control	22¼	20⅝
Joy Manufactur'g	43¼	[illegible]
Kaiser Alumin'm	33⅜	[illegible]
Reading	2⅝	2¼
Republic Steel	39	37¼
Revlon	5	74⅞
Zenith Radio	36¼	34¾
Chile 5% 1993	87½	87⅛
Peru 5% 1995	95	95

[illegible]

CANADA

[illegible]

GERMANY ◆

Feb. 19	Prices Dm	+ or −	Div. %	Yld. %
A.E.G.	101.5	−1.2	—	—
Allianz Versich.	418.5	−1.5	17	2.0
B.M.W.	273	+0.9	14	2.5
BASF	169.2	−0.6	17	—
Bayer	144	+1.3	17	5.7
Bayer Hypo	314.6	+1.6	18	2.9
Bayer Vereinsbk.	314.5	−0.5	20	2.7
Commerzbank	205.8	−0.4	18	4.4
Contl. Gummi	104	+0.5	—	
Daimler	356	+1.5	15	2.1
Degussa	256.9	−1	15	3.8
Demag	186.5	−1	—	—

[illegible]

MILAN

Feb. 19	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	895	+5	—	—
ANIC	600	+14	60	7.5
Assonia Fin.	4,730	+90	120	2.8
Bastogi	1,215	+15	70	5.8
Breda	2,451	+63	165	6.2
Burgo	10,150	+150	200	2.0
Cantoni	7,310	+65	200	2.8
CIGA	2,500		—	—
Cucirini	4,650	+40	250	5.4
Dalmine	498	+12	50	1.0
Erta	2,130	−120	—	—
Fiat	1,687	+44	100	5.9

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

SWITZERLAND ◆

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

Feb. 19	Aust. $	+ or −
Acrow Australia	†0.78	−0.02
Adelaide Brighton Cem 50c	†1.10	......
Allied Mfg. Trdg. Indus. $1	†2.0	......
Ampol Exploration	†0.90	......
Ampol Petroleum	†0.60	+0.01
Assoc. Minerals	†3.05	−0.05
Assoc. Pulp Paper $1	†0.95	......
Aust. Con. Industries	†1.35	−0.05
Aust. Foundation Invest	†0.98	−0.02
A.N.I.	†1.15	+0.05
Aust. Oil & Gas	†0.12	......
Blue Metal Ind.	†1.20	......

[illegible]

TOKYO ¶

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

JOHANNESBURG

MINES

February 19	
Anglo American Corpn.	[illegible]
East Driefontein	[illegible]
Elsburg	[illegible]
Harmony	[illegible]
Kinross	[illegible]
Kloof	[illegible]
Potgietersrust Platinum	[illegible]
St. Helena	[illegible]
South Vaal	[illegible]
Gold Fields SA	[illegible]
Union Corporation	[illegible]
De Beers Deferred	[illegible]
Blyvooruitzicht	[illegible]

[illegible]

INDUSTRIALS

[illegible]

SPAIN ◆

[illegible]

هكذا أصل الأصل

FARMING AND RAW MATERIALS

Zambia hits at copper pricing

By Our Own Correspondent

LUSAKA, Feb. 19.

[Z]AMBIA HAS renewed its criti[cism] of the copper pricing [syst]em used by the London [Met]al Exchange and has called [for] a change.

[The m]anaging director of the [Gov]ernment-owned Nchanga [Con]solidated Copper (NCCM), [Mr.] Francis Kaunda, claimed [that] the system was out of date. [Zam]bia did not want to see both [prod]ucing and consumer coun[tries] pushed to the wall where [they] would have to take irra[tion]al action to survive.

[W]e must all strive to estab[lish] a more equitable pricing [syste]m that will create good [relat]ions between consumer [natio]ns and producing coun[tries]," he said.

[Za]mbia did not want to see [cons]umer nations continuing to [dicta]te prices of raw materials [to th]e detriment of the economic [and] financial well being of pro[duce]r countries, because of their [geog]raphical misfortune.

Weather cuts El Salvador coffee output

[S]AN SALVADOR, Feb. 19.

[S]ALVADOR'S coffee output [this] year was expected to be [...] 60-kilo bags, compared [with] 2.4m. last year, said local [Coffe]e Association president, Sr. [Salva]dor Agustin Ferreiro.

[Lo]wer output resulted from [lack] of rains last year, with [losses] ranging up to 70 per cent. [The] other milds crop was [gener]ally very poor this year, to [which] must be added the effects [of th]e Guatemalan earthquake [on p]ort facilities, warehouses [and t]he transportation system [of tha]t country.

[Bec]ause of the poor crop, [Salvad]orean coffee growers were [in a di]fficult situation and needed [specia]l bank credits to keep in [busine]ss, Sr. Ferreiro said.

[Br]azil has signed the 1976 [Intern]ational Coffee Agreement, [the U]N Legal Office said.

[The] agreement—to remain in [force] until September 30, 1982—[was a]pproved by the Inter[nation]al Coffee Council last [Decem]ber and is intended as a [contin]uation of the 1968 agree[ment]. So far, it has been signed [by Co]sta Rica and Mexico.

[It w]ill come into force on [Octobe]r 1 if it has been ratified, [accept]ed or approved by them [Go]vernments of at least 20 [export]ing countries (holding 80 [per ce]nt. or more of the votes of [export]ing council members) and [by] Governments of at least [...] [im]porting countries.

Import ban call on Irish cattle

BY OUR COMMODITIES STAFF

A CALL FOR a temporary ban on U.K. imports of Irish live cattle, because of the disease risk resulting from a veterinary dispute in Ireland, is being considered by the Ministry of Agriculture in consultation with the Irish authorities, it was confirmed last night.

A Ministry spokesman said they wanted to ensure that cows and heifers taken into the U.K. breeding stock were completely free of tuberculosis.

Urging an import ban on live cattle from Ireland, the National Farmers' Union said the Irish veterinary dispute had led to a boycott of routine brucella and bovine tuberculosis monitoring in Ireland since early 1975. This disease risk posed a threat to the national herd.

Sir Henry Plumb, NFU president, said the union had called for a complete ban on imports because it seemed that no progress had been made in various discussions over a period of many months. The ban should be imposed on cattle imported from Ireland, unless intended for immediate slaughter, "until satisfactory screening and testing procedures are introduced."

"It is well recognised that this action will cause disruption, not least to certain parts of the British livestock industry and it is hoped the dispute and the inevitable aftermath can be quickly resolved," he said.

The Irish veterinarians' dispute arises from an Irish Ministry of Agriculture proposal to use lay technicians for most routine testing procedures. This has been opposed by the Irish Veterinary Union.

It is claimed that of all cattle slaughtered in Britain in 1975, the incidence of TB in animals from Ireland was about 10 times that in animals of U.K. origin. Northern Ireland has recently imposed additional screening procedures on cattle imports from Eire.

EEC defends fish limits plan

BY ROBIN REEVES

BRUSSELS, Feb. 19.

EXCLUSIVE OFF-SHORE fishing zones any wider than the 12 miles proposed by the European Commission could be declared illegal by the European Court of Justice, it was suggested here to-day.

This emerged as EEC officials defended the Commission's plan, outlined here yesterday, to limit exclusive national fishing rights to no more than a 12-mile band, given a UN Law of the Sea Conference adoption of 200-mile limits. Remaining EEC waters within this limit would be subject to Brussels management, via a system of Community agreed catch quotas.

It was argued that any further extension of exclusive national fishing rights would amount to a move away from a Common Fisheries Policy, back to national regimes. Such a proposal might well be interpreted as illegal by the ultimate guardian of the Rome Treaty, the European Court in Luxembourg.

The court has effectively ruled that national market arrangements are permissible only during a transition period. Thereafter, they must be replaced by common regimes which guarantee the same access and competition rights to all Community members.

The Commission recognised the political explosiveness of the fisheries issue in Britain in general and Scotland in particular. But, besides keeping on the right side of the treaty, it must also strike a balance with the interests of other member-States.

The French, for one, would be highly displeased at being permanently excluded from lucrative British off-shore fishing grounds.

The Commission apparently believes it can "get away with" 12-mile exclusive national zones because these are already enshrined in the EEC Treaty of Accession for Britain and the other two member-States, albeit only until 1982, pending the adoption of the amended Common Fisheries Policy.

Mr. Pierre Lardinois, the Commissioner responsible for agriculture and fisheries, said to-day that, given the general adoption of 200-mile economic zones—which the Community would not oppose at the next Law of the Sea Conference session—the Commission was proposing that fish resources should be administered on a community basis.

Bacon price rise next week

By Our Commodities Staff

SOME HOME produced bacon could cost between 2p and 3p a lb more in the shops next week following a general rise in first hand prices.

FMC, Britain's biggest curer, announced a £40 a ton rise, to £980, yesterday, but other U.K. producers have raised their prices by £50 a ton.

A £50 rise was also announced in the first hand price of Polish bacon, but all other nationalities remain unchanged.

The British and Polish producers are the only ones to quote prices in advance and the other countries—which quote on a retrospective basis—are expected to have caught up by next Thursday.

An exception to this could be Danish bacon. Having failed to come down in price in line with other producers, some market sources suggest that the Danes will now allow the rise in their competitor's prices to bring differentials back into line.

New meat policies for Europe urged

GENEVA, Feb. 19.

EUROPEAN COUNTRIES must develop new meat policies to satisfy the interests of both producers and consumers, the economic Commission for Europe (ECE) said here.

"Recent experiences in the European beef market point to an urgent need for policies which take into account not only the interests of producers inside a certain market, but also those of consumers and producers in the countries which are traditional trade partners in that market," the ECE said.

"Beef, which is a perishable commodity, should only be stored by in cases of seasonal supply fluctuations."

The fall of about 85 per cent. in Western Europe's net imports of beef and veal in 1974 had serious consequences for European exporters outside the Common Market and the rest of the world, the ECE said.

UPI

U.S. ALUMINIUM

RICHMOND, Feb. 19.

REYNOLDS METALS said it would restart three primary aluminium production lines within the next 30 days to meet improving aluminium demand.

The restart involved 60,000 tons annual capacity and would bring the company to an annual operating rate of 726,000 tons.

Reuter

FARM MINISTERS' MEETING

Search for a coherent policy

BY JOHN CHERRINGTON, IN BRUSSELS

FARM MINISTERS who attended the EEC Council meeting in Brussels this week are becoming increasingly worried by the deepening crisis in the common agricultural policy. They are putting a brave face on it, but the underlying trend is pessimistic.

It is almost as if they are repeating the dialogue in a B film, in which the characters say: "this thing is bigger than both of us—but we must make it work."

No one doubts that they are committed to this end, but whether they have any real idea of what the policy means, or was intended to mean, is open to question. The bargains and compromises which precede every price review seemed to take longer and longer, seldom reflecting a coherent policy.

It is no more than a mammoth exercise in papering over the cracks, but this exercise is limited by increasing attempts at budgetry control at Germany's insistence.

The instability of currencies is the biggest worry. Everyone knows that you cannot have common price levels in a Europe which has a variety of floating money values, but this is the first time I have sensed despair at the intractability of this problem.

Many thought that, unless something could be done about it, the CAP would fail. Then, the only material evidence of European unity would disappear.

The policy uses up 75 per cent. of the Community budget and much of the Commission staff's energies, so there is an element of self-interest in defending the system.

The original design of the CAP was simple—perhaps too simple. It was to be a means of raising the living standards of Europe's rural population to that of the communities employed in industry. It was also to take excess numbers from the land and give those remaining in farming the chance to make a good living.

These aims have been largely fulfilled but not by the policy alone. National efforts and the general development of Europe over the last 20 years have had much more to do with this. The CAP has turned into a means of eventually making Europe more than self-sufficient in temperate food—something that was not intended at the start.

The annual price reviews are negotiated between officials who are trying to establish a coherent policy and farm Ministers who are subject to intense financial, national and political pressures, and vacilate accordingly.

To take milk as an example: There is far too much of it, evidenced by the 1m.-ton heap of skim powder which is growing rapidly. This sets two problems: getting rid of the surplus; and seeing that it does not happen again.

Skimmed milk

The first priority is to control output, and several ways of doing this have been considered recently. One could lower the price to farmers by abandoning intervention for skimmed milk, but this would be impossible for political reasons.

On the other hand, because increasing quantities of milk are being produced from feeding stuffs, instead of grass, a levy could be placed on soyabean meal to cut the profit from this form of production. But this would not work either, partly because the Americans would object and also because farmers would react and take to the streets.

Another suggestion is to take 3m. cows out of production by paying their owners not to produce milk. But this is too expensive. Besides, it would not stop other farmers increasing their herds.

The latest proposal, which may be accepted at the next ministerial meeting, is to incorporate skim powder in animal feeds by means of a small subsidy and an import deposit scheme on imported proteins.

No one likes the idea, but it may get rid of some milk powder. However, it will not remove the persistent problem of the surplus, because the price to farmers for milk is likely to be raised again in this review.

Another solution being openly talked about for the first time is to make farmers responsible for their own over-production by means of national quotas. There are many objections to this.

It is argued that it would destroy inter-community competition, that it would restrict production in deficit areas like Britain and Italy and impede exporting countries (Ireland, France, Holland and Denmark) in their rightful development of traditional markets.

Farmers also fear that the imposition of national quotas could open the door to imports from third countries, something that the Commission's foreign relations department would like to do in answer to the accusation that the Community is no more than an inward-looking club of rich nations.

Although milk is the most serious of the practical problems, other commodities are also causing concern. Cereals are becoming more plentiful worldwide and the EEC is preparing for a sizeable surplus next year, particularly because European compounders have available substitute feeds now. These have reduced the cereal content of their compounds from 70 per cent. to less than 20 per cent.

Suggestions that bread wheat should receive higher weighting than feed wheat are running into severe difficulties because of farmers' objections and practical problems of definition.

On the British Government's attempt to have the variable beef premium scheme extended to the rest of the Community, there are grave doubts. Ministers say they are sympathetic to the British case, but there did not seem to be much enthusiasm for it to be adopted elsewhere in the EEC as an alternative to intervention. If it is adopted in the U.K. it is likely to be a temporary measure, financed by the British Exchequer.

Wine lake

Wine is a question of great concern. France and Italy both have surpluses, and the Italians—helped by devaluation and sunshine—are invading the French wine market.

The French retaliated with a 12.5 per cent. levy which is illegal under Community rules, and the matter is before the European Court. It will probably be settled by a compromise, sweetened with Community funds.

However it is decided, someone is going to have to go to the wine growers in the Midi or Tuscany and tell them to grub a proportion of their vineyards in the interest of the Community, because of the considerable wine surplus.

The wine lake may be drained satisfactorily because it is a comparatively minor problem, compared with those of milk and other commodities. I doubt, however, that the Community has the power or determination to do anything effective about these formidable obstacles.

Uncertain tone at wool auctions

BY RICHARD MOONEY

PRICES at New Zealand's Timaru wool auction yesterday were unchanged to cheaper, compared with those obtained at the Invercargill sale on February 13, despite good competition.

The sale handled 30,318 bales, the largest offering for 25 years. Interest came mainly from Eastern Europe and the Continent, supported by Australian carpet mills and Japan, the official report says.

At Australia's Newcastle and Launceston sales, prices were little changed. But values were described as "fully firm" at Fremantle.

Japan was the main buyer at Newcastle, while East and West Europe were the principal operators at Launceston.

The Australian Wool Corporation took 22 per cent. of the offering at Newcastle, 6 per cent. at Launceston and 7 per cent. at Fremantle.

Values at South Africa's Durban auction were slightly cheaper, compared with the sale on February 12. The official report says competition was fairly good. 96 per cent. of the 8,486 bales offered being sold.

Figures issued by the New Zealand Wool Marketing Corporation yesterday show that the average price for greasy wool sold at NZ auctions rose by 53.31 per cent. to 139.9 cents a kilo, in the final six months of 1975, from 91.25 cents in the first half.

The Corporation says the average continued to rise last month.

MILK OUTPUT BUOYANT

The recovery in England and Wales milk production continued last month, sales off farms rising to 202.82m. gallons, against 198.73m. in December and 189.48m. in January, 1975, Milk Marketing Board figures show.

Liquid sales were down to 126m. gallons, from 126.86m. in December, however. In January, 1975, they amounted to 127.99m gallons. Milk sold for manufacturing reached 76.82m. gallons, from 71.87m. in December and 61.49m. in January, 1975.

[C]OMMODITY MARKET REPORTS AND PRICES

[BA]SE METALS

[COPP]ER—Lower on balance when [...] closing Ring prices but [...] moved into higher ground on [after]noon Kerb. Trade selling and [hedg]ing gained the upper hand over [...] house buying in early trading [as th]e U.S. market overnight was not [as enc]ouraging as had been expected. [...] metal fell to £635.5 but on the [...] at £607.5, 07, three months [...], 25.5, 26, 25.5. Cathodes: cash £598, 96.5, three months £615.5, 15. Kerbs: Bars: mid-Apr. £618.5, three months £615.5, 26, 27. Cathodes: three months £613.5. Afternoon: Wirebars: cash £608.5, 08, three months £625, 26, 26.5. Cathodes: cash £599.5. Kerbs: Bars: three months £627.5 to 30.5, 30, 30.5, 29.

TIN—Edged higher reflecting the modest recovery in Penang overnight coupled with influential buying of Standard material. High Grade forward metal traded up to £3,300 in a fair turnover indicating that the tightness in supplies of that grade material might last for some time. Turnover 1,515 tonnes.

Morning: Standard: cash £3,198, £3,200, 02, 04, 03, 03, 03, three months £3,265, 70, 68. High Grade: cash £3,260. Kerbs: Standard: cash £3,204, three months £3,270. Afternoon: Standard: cash £3,207, three months £3,272. High Grade: three months £3,300. Kerbs: Standard: three months £3,275, 73.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3260-5	+27.5	3255-75	+12
3 months	3285-90	+16	3295-300	+17.5
S'ment	3265	+25	—	......
Standard				
Cash	3202-4	+10.5	3203-5	+11.5
3 months	3268-70	+10	3272-4	+12.5
S'ment	3204	+11	—	......
Straits E.	:$997	+16	—	......
New York	—	......	*312.75	......

LEAD—Little changed, forward metal ending at £192.25 on the afternoon Kerb. [...]

ZINC [...]

SILVER [...]

COCOA [...]

FREIGHTS [...]

COFFEE

Robusta terminal opened slightly steadier but by mid-morning it was trading around or slightly below previous day's close, on profit-taking.

Prices closed about steady with values up to £5 per tonne higher. Arabicas closed about steady with values three points down to 150 points up.

[...]

RUBBER [...]

SOYABEAN MEAL [...]

SUGAR [...]

WOOL FUTURES

LONDON—Market posted light gains following overseas advices. Bache reports. (Pence per kilo)

[...]

GRAINS [...]

MEAT/VEGETABLES [...]

MEAT COMMISSION—Average fatstock prices at representative markets on Feb. 19: U.K.—Cattle £23.20 per live cwt. (−0.19); Sheep 43.3p per pound e.d.c.w. (+1.4); Pigs £4.92 per sc.l.w. (−0.03). England and Wales—Cattle numbers down 15.0 per cent., average price £23.32 (−0.23); Sheep down 0.9, 43.7p (+1.4); Pigs down 10.9, £4.92 (−0.03). Scotland—Cattle down 3.8, £22.01 (−0.18); Sheep up 33.4, 42.2p (+1.5); Pigs nil.

COVENT GARDEN [...]

JUTE [...]

COTTON [...]

COPRA—Philippines: March and April $195. May $197.50 resellers per tonne c.i.f. North European ports.

Peru fishing resumption likely soon

WASHINGTON, Feb. 19.

PERUVIAN authorities were believed to be fairly close to a positive decision on the resumption of commercial anchovy fishing, although all fishing had been temporarily halted in its central and northern waters, it was claimed here.

Informed sources said fishing had been halted in the central and northern waters only as a temporary precaution to avoid catching fish almost reaching full maturity.

A further evaluation would be made of fish conditions next week and a decision on resuming commercial fishing could be made about the beginning of March.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 19 1976	+ or —	Month ago
Metals			
Aluminium	£420	......	£420
[...]			

FINANCIAL TIMES

Feb. 19	Feb. 18	Month ago	Year ago
183.11	182.56	175.34	176.72

(Base: July 1, 1952=100)

REUTER'S

Feb. 19	Feb. 18	Month ago	Year ago
1228.4	1229.8	1191.6	1094.4

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Feb. 19	Feb. 18	Month Ago	Year ago
Spot	310.65	309.12	287.83	339.19
Futures	306.11	303.49	291.68	315.50

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 19	Feb. 18	Month ago	Year ago
Staple Comm'ty	783.2	780.6	755.6	774.2

(December 31, 1931=100)

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £1.80-£2.20. Codlings £1.60-£2.00. Large shelf haddock £2.20-£2.50. Medium £1.80-£2.20. Small £1.60-£2.00. Medium plaice £2.40. Best small £2.20. Medium skinned dogfish £5.40. Large £5.60. Rock fish £1.40-£2.30. Reds £1.00-£1.30. Saithe £1.00-£1.20.

U.S. MARKETS

NEW YORK, Feb. 19.

Cocoa—Ghana spot 77 (75). Bahia spot 72 (same). March 70.75 (69.95), May 67.05 (65.55), July 64.35, Sept. 62.00, Dec. 59.30, March 57.80, May 56.95, July unquoted. Sales: 2,140.

Coffee—"C" Contract: March 101.25-[...]

[...]

Nov. 657 bid. Dec. 657½ nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 493½ (494½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ‡ $'s per troy ounce—100-ounce lots. ‖ Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. § $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ‡ Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. ¶ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

Colombia sugar sales

COLOMBIA'S FOREIGN Trade Council had suspended sugar export sales from to-day, the Presidential Press office said.

This was because of shortages in the domestic market since the beginning of this year.

Industry sources are confident that domestic sugar supplies will soon be back to normal and that export sales will be allowed to resume shortly.

Reuter

STOCK EXCHANGE REPORT

ICI's results help sentiment but expenditure White Paper has little impact—Index down 0.6 at 396.7

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets passed another rather quiet and nervous session yesterday. However, equities were given a useful fillip around lunch time when Imperial Chemical Industries announced results which were above most expectations, but the "after hours" announcement of the Government's White Paper on public expenditure had little immediate impact. Nevertheless, British Funds gained some encouragement from the projected expenditure cuts and long-dated stocks which had pared earlier falls of ⅛ to ¼ by the close were tending firmer in the late dealings. Most of the day's activity, however, centred on the shorts. As with the later maturities final losses, which ranged to ⅜, were above the worst. The Government Securities index gave up 0.38 to 63.23.

The pattern of trade in leading Industrials was well illustrated by the FT 30-share index which, encouraged by the absence of the rumoured ICI "rights" issue, showed an improvement of 1.1 at 10 a.m. Nervous selling, however, in front of ICI's results saw the initial improvement turned to a loss of 2.7 at 1 p.m. before a gradual recovery left the index only 0.6 lower on balance at 396.7.

There were few features in secondary issues and the overall trend was slightly easier. The FT-Actuaries All-Share index gave up 0.5 per cent. to 165.32. The continuing lack of activity generally was reflected in official markings of 5,757, only 7 more than on Wednesday.

Still lacking any worthwhile interest and meeting fresh occasional offerings, partly on arbitrage account, the investment currency market retained a dull undertone; the premium drifted down to 106¾ before rallying late to close 1¼ lower on balance at 107¼ per cent. In Americans, official first-time dealings here in Norton Simon ended with the price at £17½. Yesterday's SE conversion factor was 0.6211 (0.6143).

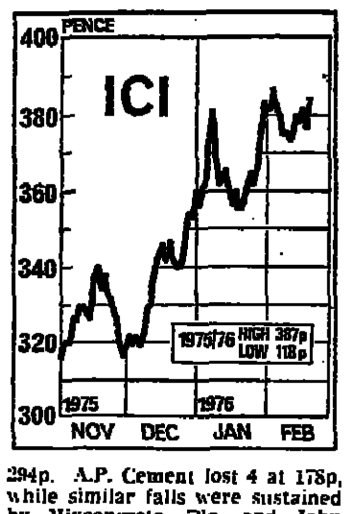
Banks mixed

The big four Banks followed no set direction in quiet trading conditions. With preliminary results due next Tuesday, National Westminster edged forward 3 to 250p, while Barclays (results due March 4) hardened a penny to 306p. Midland, however, declined 2 at 298p and Lloyds were unaltered at 250p. A dull market of late on concern about their substantial African interests, Standard Chartered rallied 5 to 445p. Trust Bank of Africa firmed 2 to 50p for a similar reason. Discounts came on offer, with falls of 5 sustained by Cater Ryder, 270p, Gerrard and National, 295p, and Union, 375p. Wintrust held steady at 57p in front of to-day's interim figures, while higher third-quarter earnings did little for Cattles Holdings unchanged at 25p.

General Accident, at 169½p, gave up 2 of the previous day's improvement of 3½ which followed satisfaction with the American underwriting results. Elsewhere in dull Insurances, "Royals" eased 6 to 320p and Phoenix declined 4 to 222p, while Eagle Star and Guardian Royal Exchange were 2 off at 133p and 206p respectively.

Allied Breweries shed 2 to 68p on the profits warning at the AGM, while lack of support left Burtonwood 3 off at 63p. Elsewhere, Distillers moved narrowly to close unaltered at 146p.

R. Costain continued firmly in Buildings, rising 5 more to 223p for a two-day gain of 9. Nottingham Brick jumped 12 to a 1975-76 peak of 115p in response to the chairman's statement at the annual meeting. News of an £18.5m. hospital contract failed to stimulate Taylor Woodrow, however, which closed 2 cheaper at 294p. A.P. Cement lost 4 at 178p, while similar falls were sustained by Mixconcrete, 72p, and John Laing "A," 104p. Royce declined 1½ to 26p.



Easier at 274p ahead of the preliminary figures, ICI improved sharply to close 7 better on balance at 384p following a reasonable business on the better-than-expected fourth-quarter's figures and trading statement which contained no reference to the rumoured "rights" issue. Albright and Wilson closed a penny harder at 88p, after 90p, following Press comment on the results.

Burton active

Burton Group returned to favour in Stores, the "A" closing 2 harder at 60p and the Ordinary 5 higher at 65p following some sizeable investment demand. Press comment of an adverse nature directed attention to Marks and Spencer, which closed unchanged at 102p, after 100p. F. W. Woolworth finished a fraction easier at 79½p following a good two-way business; the preliminary figures are expected next Friday. MFI Warehouses were finally 2 off at 47p, after 45p, despite the first-half return to profitable trading and the resumption of dividends. Mothercare, at 174p, gave up 2 of the previous day's speculative rise of 11. On the bid front, Weston Pharmaceuticals edged up 3 to 79½p in sympathy with a rise of a penny to 80p in bidders Dixon's Photographic. In Shoes, Newbold and Burton responded to the increased earnings with a rise of 1½ to a 1975-76 peak of 27p.

Business picked up slightly in the Electrical leaders, although movements were only marginal. GEC, 148p, after 150p, and Plessey, 77p, both ended a penny easier, while Thorn Electrical finished 2 down at 250p, after 248p. Philips' Lamp shed ⅛ to £10⁷⁄₁₆ in line with the easier investment premium. Elsewhere, Cohen Bros. (Electrical), with results expected in a month or so, encountered fresh support and added 3 at a 1975-76 peak of 75p. Decca put on 4 to 254p and the "A" 2 to 230, while the profits advance left Allied Insulators a fraction harder at a new 1975-76 high of 31½p. Best and May edged up 2 to 40p, but Ward and Goldstone, 93p, and BSR, 118p, came back 2 apiece. The Japanese Sony made a dull showing at 680p, down 20.

Still reflecting pleasure with the sharply increased annual figures, Herbert Morris rose 8 further to 93p, after 94p. Engineerings otherwise displayed a quiet and slightly mixed tendency. Of the leaders, both GKN, 306p, and Tube Investments, 330p, finished unaltered, while Hawker eased 2 to 410p. News of the good results and proposed scrip issue lifted Fife Forge 5 to a basis of 46p, while S.W. Wood finally gained 1 to 38p, after having been lowered to 35p on the poor first-half achievement. Bullough fell 4 to 79p and Westland gave up 2 to 61p. Among other small losses of a similar amount were Clarke Chapman, 72p, and Staveley Industries, 161p. Of yesterday's newcomers to the growing list of "rights" issues, Edgar Allen Balfour shed 1 to 75p, after 78p, and Mitchell Somers improved ½ to 25½p. CompAir remained unsettled by the current order situation, closing 1 cheaper at 77p.

Foods were generally quiet and little changed. Meat Trade Suppliers, however, improved 5 to 87p on the interim dividend payment, while gains of 3 were scored by Amos Hinton, 54p, Taverner Rutledge, 102p, and Joseph Stocks, 100p. Fitch Lovell were active and 2 harder at 65p. Associated Fisheries contrasted with a fall of 3 to 27p on the worsening situation in the Icelandic cod war. FMC were lowered 5 to 47p and Associated British Foods gave up 2 at 63½p.

Trust Houses Forte responded to the preliminary figures with a rise of 5 to 135p. Grand Metropolitan were finally unchanged at 81p, after 80p, following Press comment on the chairman's statement. Elsewhere, Reo Stakis hardened 1½ to 28p and J. Lyons "A" moved up 3 to 148p.

Wedgwood rise

Another slack day in the miscellaneous Industrial leaders had prices fluctuating narrowly before ending a little better on balance. After Wednesday's fall of 8 on the £20m. "rights" offer proposal and profits estimate, Turner and Newall managed to close a penny firmer at 153p, after 154p. Unilever, 438p, after 432p, recouped half of the previous day's loss of 8. Beecham finished 2 up at 354p, after 350p, while Glaxo moved between extremes of 365p and 360p before coming to rest unaltered at 362p. Elsewhere, Wedgwood made a bright showing with a rise of 8 at a 1975-76 peak of 220p in reflection of the nine-months' expansion in profits. John M. Newton, 42p, retrieved Wednesday's loss of 2 which followed the interim results while, awaiting their respective annual figures due next Thursday, Silentbloc, 36½p, and Lamson Industries, 71p, put on about 2 apiece. Johnson Matthey, however, were out of favour and receded 12 to 340p, while the results left M.K. Refrigeration 2 easier at 50p. I.C. Gas declined 6 to 320p and Ofrex 4 to 70p.

Motors and Distributors had an uneventful session. British Leyland were finally a penny better at 27p, after 25p, following Press comment on the full report. Lucas were steady at 214p, but Armstrong Equipment eased 1½ to 67p and Rolls-Royce receded 2½ to 68p.

Olives Paper Mill shed only 1 to 21p, the poor results being countered to some extent by a dividend payment. Elsewhere, small demand in a thin market lifted Geers Gross 4 to a fresh 1975-76 peak of 77p, but Morgan Grampian eased 2 to 78p on sporadic profit-taking.

Properties ease

There remained a low level of business in Properties, which displayed a downward drift. Land Securities lost another 3 to 181p and MEPC, following the poor results from the Australian subsidiary, eased 2 more to 80p. English Property, 63½p, and Capital and Counties Property, 17½p, shed 1½ apiece, while Amalgamated Investment and Property softened a penny to 18½p. Outside the leaders, reactions of 6 were sustained by Berkeley Hambro, 126p, and Haslemere Estates, 192p, while declines of about 4 were sustained by Stock Conversion, 164p, and Beaumont Properties, 64p. Argyle Securities eased 2½ to 46p and Samuel Properties closed similarly cheaper at 39p, while United Kingdom Property, a dull spot of late on the bigger loss for the first-half, slipped a penny further to 15p. Daejan Holdings, after Wednesday's loss of 2 on the half-time report, were a penny easier at 48p.

Ultramar continued to suffer from rumours of a pending "rights" issue and lost 4 to 172p, but leaders British Petroleum, 583p, and Shell, 382p, were both unchanged, the last-named after 384p. Berry Wiggins remained a dull market at 42p, down 2, but Tricentrol picked up that much to 60p. Domestic market influences tended to unsettle Australians and Woodside-Burmah, which is to raise A$21m. by way of a "rights" issue, reacted 4 to 112p, while Associated Australian Resources gave up 5 at 110p. Elsewhere, Siemens (U.K.) shed 15 to 195p.

Overseas Traders closed easier in places, although Mitchell Cotts recorded an improvement of 2 at 53½p. A dull market of late on concern over the African situation, Lonrho managed to pick up initially to 119p before turning downwards again to 116p for a net loss of a penny. Following the recent sharp fall on the Guyanan nationalisation intentions, Booker McConnell closed a further 3 cheaper at 134p. Sime Darby declined 3 more to 118p, while Paterson Zochonis, 410p, and the "A," 400p, gave up another 10 apiece.

Against a background of fresh talk that substantial profits have been made by the firm's involvement in the gilt-edged market, buyers came for stockjobbers Akroyd and Smithers and lifted the shares 8 to a 1975/76 high of 238p. Elsewhere in Financials, Lampa Securities, in which former chairman Mr Horsman has recently disposed of his near 9 per cent. stake, declined 4 at 113p.

Following Wednesday's fall of 10½ on the downward revision of last June's profits forecast due to heavy provisions at the associated Bovis concern, P & O Deferred cheapened further to 95½ following Press criticism but rallied late to close unchanged on the day at 98p. Awaiting further moves on the European Ferries bid situation, Felixstowe Dock hardened 3 at 146p.

Courtaulds made an erratic showing in Textiles, moving between extremes of 160p and 156½p before closing unchanged on the day at 159p. Buyers came for Tricoville, which rose 5 to a 1975-76 higher of 31p, while renewed demand in a thin market left Caird (Dundee) 4½ to the good at 42p. Tobacco leaders again closed a shade easier, with penny falls recorded in both Imps, 82p, and Bats, 345p.

Among quieter South African Industrials, Associated Manganese were marked down ½ to £13¼; the London listing is to be cancelled at the close of business on March 5, owing to the small percentage of shares held outside of South Africa.

Golds at 26-month low

Wednesday's rally in South African Gold shares came to a halt, with sentiment again unsettled by fears over the political situation in Africa and the modest fall in the bullion p[rice which] was finally 25 cents [lower at] $131 per ounce.

Share prices ope[ned] following overnight [...] the U.S. but persi[stent Johannesburg] and Cape selling cau[sed them] to lower prices [and they sub]sequently drifted in qu[iet trading]. The Gold Mines index [fell ...] to 195.9, its lowest [since] December 27, 1973.

Falls in the heavyw[eights] ranged to ¾ in Vaal R[eefs] with losses of ½ in We[st Driefontein] (£11½) and St. Hele[na]. Among the lower pri[ced issues] Southvaal gave up 20 [and] Doornfontein were 15 [...].

The rally in othe[r] mining shares contin[ued] yesterday morning w[ith] marking up prices in [...] of further buying ord[ers follow]ing news of more We[stern Gov]ernments officially reco[gnising the] MPLA in Angola.

De Beers opened a[nd] rose to 277p at one p[oint but] a fresh wave of sell[ing took] the price back to its o[pening level] for a net gain of [...] American lost most [of the previous] day's rise, falling 7 [...]. London-based Finan[cials] opened higher but closed around the pre[vious] closing levels.

Coppers were firm [and little] changed. Platinums ga[ined ground] on Cape buying, with [Rusten]burg 8 higher at 138p a[nd Impala/Lydenburg?] 5 better at 85p.

Australians were [generally] firmer, while in Tin[s ...] hardened to 27p on ne[ws that its] quotation has been r[estored on] the Kuala Lumpur [Stock Ex]change.

Elsewhere, Northgat[e rose] 45 to 410p and Westfie[ld Minerals] fell a further 20 to 137p, on profit-takin[g after] their recent sharp ga[ins].

FINANCIAL TIMES STOCK INDIC[ES]

—	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 13	Fe[b. 12]
Government Secs.	63.23	63.61	63.62	63.40	63.47	62[...]
Fixed Interest	63.12	63.23	63.14	62.91	62.81	62[...]
Industrial Ordinary	396.7	397.3	403.3	400.2	406.5	40[...]
Gold Mines	195.9	198.9	198.6	205.9	214.9	22[...]
Ord. Div. Yield %	5.27	5.26	5.19	5.23	5.17	5[...]
Earnings Y'ld % (full)(a)	15.32	15.29	15.11	15.23	15.05	15[...]
P/E Ratio (net) (a) (b)	9.61	9.64	9.75	9.68	9.80	9[...]
Dealings marked	5,757	5,750	6,128	7,340	4,985	5,[...]
Equity turnover £m.	—	56.28	67.08	54.74	57.00	48[...]
Equity bargains total	—	14,961	15,105	15,540	14,358	13,[...]

10 a.m. 398.4. 11 a.m. 398.8. Noon 394.6. 1 p.m. 394.0. 2 p.m. 398.1. 3 p.m. 396.5.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.3[...] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1[/7/35]. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (23/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.5 (22/5/75)	195.9 (19/2/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTI[VITY]

—	Fe[b. 19]
Daily	
Gilt-Edged	156[...]
Industrials	189[...]
Speculative	58[...]
Totals	151[...]
5-day Av'r'ge	
Gilt-Edged	187[...]
Industrials	198[...]
Speculative	109[...]
Totals	136[...]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, Feb. 19, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Feb. 18 Index No.	Tuesday Feb. 17 Index No.	Monday Feb. 16 Index No.	Friday Feb. 13 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	149.42	−0.5	15.48	5.69	9.77	9.77	150.24	149.82	149.58	151.00	95.54	165.05 (30/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2 Building Materials (29)	142.51	−0.6	12.06	6.05	12.84	12.83	143.38	143.20	143.69	145.48	87.01	150.18 (16/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.87 (11/12/74)
3 Contracting, Construction (23)	232.58	−1.3	15.08	4.21	10.36	10.36	235.46	235.92	236.45	239.70	165.32	263.54 (16/1/76)	74.74 (6/1/75)	389.33 (19/5/72)	71.48 (12/12/74)
4 Electricals (16)	260.78	−0.2	16.73	4.58	8.76	8.76	261.31	260.73	259.99	263.64	177.55	273.62 (2/2/76)	98.48 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/68)
5 Engineering (Heavy) (13)	169.33	−0.5	19.31	6.97	8.42	8.42	170.16	170.53	170.07	172.32	113.20	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (8/6/73)	64.39 (2/1/75)
6 Engineering (General) (63)	135.82	−0.5	16.30	6.24	9.20	9.19	136.49	135.64	134.97	135.58	81.82	138.55 (5/2/76)	45.43 (6/1/75)	168.59 (4/5/72)	45.43 (6/1/75)
7 Machine and Other Tools (9)	56.19	−0.7	15.03	6.66	11.99	11.99	56.57	56.84	56.64	57.39	33.53	57.39 (13/2/76)	20.11 (2/1/75)	136.70 (4/7/68)	19.96 (13/12/74)
8 Miscellaneous (25)	129.84	−0.7	15.99	6.46	9.50	9.60	130.76	130.49	130.37	130.73	86.81	133.69 (30/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (56)	132.46	−0.8	14.01	4.71	10.77	10.76	133.12	133.01	132.33	132.37	68.08	134.33 (4/2/76)	38.39 (6/1/75)	327.78 (21/4/72)	38.39 (6/1/75)
10 Electronics, Radio TV etc. (15)	149.77	−0.5	12.74	3.57	11.74	11.72	150.45	149.54	149.18	149.11	80.94	152.60 (4/2/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11 Household Goods (14)	179.42	—	13.79	6.15	10.72	10.69	179.50	179.83	179.44	178.69	109.55	182.85 (4/2/76)	64.83 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (27)	78.23	−0.8	16.20	5.99	9.50	9.50	78.85	79.34	78.50	78.77	54.28	79.54 (17/2/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	155.67	−0.9	13.47	5.65	11.00	10.90	157.01	157.27	156.98	157.71	110.48	162.24 (5/2/76)	61.98 (6/1/75)	226.08 (18/8/72)	61.41 (13/12/74)
14 Breweries (15)	167.64	−1.8	13.46	6.43	11.15	11.15	170.72	171.50	172.26	172.08	130.34	179.43 (2/2/76)	75.58 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	179.41	−0.6	10.52	5.62	14.71	14.71	180.48	181.02	181.02	180.58	128.63	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (13/12/74)
16 Entertainment, Catering (16)	199.39	−1.2	11.16	6.12	14.35	13.68	201.86	201.19	201.42	202.62	105.94	208.60 (5/2/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17 Food Manufacturing (22)	165.32	−0.3	12.96	5.01	10.86	10.79	165.85	166.51	166.14	167.96	114.96	174.03 (4/2/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18 Food Retailing (16)	139.47	−0.1	11.60	4.96	12.51	12.61	139.61	139.57	138.67	139.18	107.14	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/8/72)	54.25 (11/12/74)
19 Newspapers, Publishing (15)	179.44	—	12.57	5.63	11.93	11.93	179.51	179.36	180.93	181.51	105.74	181.99 (6/2/76)	55.08 (6/1/75)	250.29 (18/1/72)	55.08 (6/1/75)
20 Packaging and Paper (13)	109.13	+0.2	20.26	7.00	7.36	7.35	108.93	108.30	107.68	108.11	78.09	111.44 (4/2/76)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21 Stores (33)	132.34	−0.1	11.33	5.11	13.56	13.64	133.66	133.44	132.93	133.64	98.32	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22 Textiles (22)	174.47	−0.7	13.64	6.19	9.44	8.85	175.65	177.99	176.45	177.16	106.49	183.19 (30/1/76)	62.91 (6/1/75)	263.72 (17/8/68)	62.66 (11/12/74)
23 Tobaccos (3)	221.51	−1.3	16.87	6.40	7.74	7.74	224.28	224.59	224.08	225.36	166.29	236.22 (5/2/76)	109.92 (6/1/76)	339.16 (2/8/72)	94.34 (13/6/62)
24 Toys and Games (6)	64.80	+0.4	21.04	6.13	6.62	6.62	64.52	64.64	64.52	64.00	35.71	64.80 (19/2/76)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (94)															
25 Chemicals (24)	216.32	+0.4	12.94	4.46	10.85	10.83	215.55	215.65	213.87	214.80	129.50	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.20 (1/12/74)
26 Office Equipment (10)	87.56	−0.5	14.77	5.96	9.96	9.96	88.04	87.63	88.80	88.65	91.14	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	383.59	−1.2	18.84	6.46	6.79	6.52	388.11	400.60	398.03	407.86	303.18	432.64 (30/1/76)	194.38 (6/1/75)	517.00 (6/12/73)	90.80 (29/6/62)
28 Miscellaneous (48)	166.56	−0.5	14.15	6.35	10.41	10.41	167.39	167.02	166.92	167.90	110.58	172.73 (30/1/76)	60.39 (6/1/75)	258.83 (2/6/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	158.49	−0.6	14.08	6.51	10.46	10.40	159.38	159.45	159.02	159.98	106.18	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	332.99	—	15.11	4.84	7.39	6.62	333.03	333.90	331.34	336.98	206.64	351.71 (9/1/76)	105.83 (2/1/75)	431.66 (29/6/68)	87.23 (29/5/62)
31 500 SHARE INDEX	173.16	−0.5	14.23	5.41	9.86	9.60	173.99	174.12	173.52	174.85	114.70	178.83	63.49	227.95	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	141.96	−0.4	—	4.99	—	—	142.53	142.93	142.08	143.01	106.30	154.55	56.50	241.41	55.88 (13/12/74)
33 Banks (6)	170.98	+0.2	16.25	4.75	9.47	9.47	170.67	172.44	171.08	171.50	114.54	182.12	62.56	283.32	62.44 (12/12/74)
34 Discount Houses (10)	181.97	—	—	6.76	—	—	181.97	178.65	176.50	176.50	138.40	186.52	84.13	293.13	81.40 (10/12/74)
35 Hire Purchase (5)	123.31	—	—	5.11	—	—	123.51	123.58	122.77	123.68	102.91	134.39	42.81	433.72	38.83 (11/12/74)
36 Insurance (Life) (9)	124.94	—	—	5.47	—	—	124.98	125.23	125.04	124.31	92.64	139.95	44.88	196.46	44.88 (2/1/75)
37 Insurance (Composite) (7)	109.02	−0.7	—	6.25	—	—	110.54	110.59	109.43	111.26	74.09	117.44	43.96	156.76	43.96 (13/12/74)
38 Insurance Brokers (9)	221.05	−0.4	9.31	4.30	16.57	16.87	221.93	220.63	220.92	224.46	150.03	233.62	65.86	267.61	65.86 (16/12/74)
39 Merchant Banks (17)	90.11	—	—	6.11	—	—	90.16	90.42	90.02	89.43	70.35	94.97	31.21	178.97	31.21 (7/1/75)
40 Property (32)	181.52	−1.5	2.52	2.66	75.73	70.32	184.26	184.18	183.75	185.35	174.63	241.22	56.19	357.40	56.01 (20/4/65)
41 Miscellaneous (5)	88.46	—	14.52	6.14	10.80	10.80	88.46	88.52	88.52	88.32	61.79	91.99	34.76	203.15	33.29 (17/12/74)
42 Investment Trusts (50)	170.67	−0.8	2.95	4.32	33.95	33.95	172.08	172.21	173.13	175.02	133.46	184.55	73.45	245.79	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	165.32	−0.5	—	5.27	—	—	166.13	166.31	165.75	167.01	118.02	172.64	62.16	228.18	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	448.87	−0.6	14.28	7.48	10.75	10.72	451.69	459.52	453.66	467.29	393.50	525.43	281.66	555.37	84.58 (26/8/65)
45 Teas (9)	125.28	−0.2	34.20	8.27	4.27	4.20	125.56	125.77	125.95	126.04	84.98	136.62	76.16	136.51	59.72 (17/10/74)
46 Coppers (3)	457.87	+0.8	41.55	7.22	2.41	2.41	456.46	453.63	451.72	453.52	439.92	467.74	431.72	567.78	94.08 (29/4/62)
47 Mining Finance (11)	100.65	+0.7	11.74	8.00	9.62	9.62	99.94	99.76	102.78	106.83	102.10	141.34	90.59	175.90	66.31 (30/3/74)
48 Tins (9)	93.06	−0.7	19.24	9.70	10.61	9.96	93.72	94.26	94.45	94.59	86.46	114.13	84.50	131.75	54.85 (27/6/71)
49 Overseas Traders (13)	233.36	−0.1	11.43	4.48	8.87	8.87	233.52	235.73	234.52	239.26	173.78	250.52	209.22	253.58	97.37 (6/1/75)

FIXED INTEREST	Thurs., Feb. 19: Index No.	Thurs., Feb. 19: [illegible]	Wed. Feb. 18	Tues. Feb. 17	Monday Feb. 16	Friday Feb. 13	Thurs. Feb. 12	Wed. Feb. 11	Tuesday Feb. 10	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 Consols. 2½% yield	—	—	13.86	13.58	13.58	13.65	13.53	13.81	13.61	15.10	—	—	—	—
2 20-yr. Govt. Stocks (6)	49.68	13.09	51.47	51.49	51.31	51.46	50.62	51.16	50.98	46.90	52.45	38.27 (3/1/75)	116.42	38.27 (3/1/75)
3 20-yr. Red. Deb. & Loans (15)	51.05	12.77	50.63	50.63	50.87	50.64	50.61	51.00	51.15	46.62	51.23	37.01 (3/1/75)	113.45	37.01 (3/1/75)
4 Investment Trust Prefs. (15)	51.23	13.62	51.25	50.85	49.81	49.81	49.53	50.16	50.39	42.62	51.23	35.51	114.41	34.45 (1/12/74)
5 Coml. and Indl. Prefs. (20)	69.22	13.69	69.10	69.07	69.06	68.99	68.94	69.25	69.57	60.90	71.97	47.67 (6/1/75)	114.85	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/70	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	10/1/70	128.20	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	153.84	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	† Redemption yield.		

Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer. A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p. By post 18p. Commonwealth 15p. Foreign 23p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	20	384	+ 7	387	118
De Beers Defd.	R0.05	14	270	+ 2	335	161
Akroyd & Smithers	25p	11	238	+ 8	238	155
Shell Transport	25p	11	382	—	404	118
"Bats"	25p	10	345	− 1	377	164
Cons. Gold Fields	25p	10	180	—	290	175
Imperial Group	25p	10	82	− 1	88	32
Burmah Oil	£1	9	47	+ 1	100	27
GEC	25p	9	148	− 1	162	51
GKN	£1	9	306	—	312	95
Lonrho	25p	9	116	− 1	159	68
P & O Defd.	£1	9	98	—	128	59½
Brown (J.)	£1	8	85	—	120	42
Ocean Trans. 'New'	Nil/pd.	8	19*	− 2	35*	19*
Thorn Elect.	25p	8	250	− 2	258	74

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22

"Calls" were dealt in Norwest Holst, J. M. Newton, Glynwed, Lonrho, Imperial Group, Burton "A," International Computers, Associated Fisheries, Trust Houses Forte Warrants, Chown Securities, Town and City, Fitch Lovell, and Slimma. "Puts" were done in FMC, Burmah Oil and Racal Electronics, while "doubles" were arranged in Premier Consolidated, House of Fraser, Burmah Oil and Drake and Cubitt.

Industrials		Guardian	20	Spillers	5	Shell	25
A. P. Cement	15	G.K.N.	22	Tesco	5	Ultramar	20
Assoc. Leisure	3	Hawker Sidd	35	Thorn "A"	20		
Barclays Bank	22	House of Fraser	6	Tube Invest.	27	Mines	
Beecham	28	I.C.I.	21	Unilever	40	Anglo Amer.	50
Boots Drug	12	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Bowaters	16	I.C.L.	14	Vickers	13	Chart'rh'll Fin.	6
B.A.T.	30	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
British Leyland	7	Legal & General	13	Woolworths	6	De Beers Def.	35
BSG Int.	5½	Ladbroke	11			F. S. Geduld	350
Burton 'A'	7	Lloyds Bank	22	Property		Great Boulder	12
Cadburys	6	"Lofs"	5½	Amal. Inv.	5½	Hampton Areas	12
Courtaulds	11	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Debenhams	8	Marks & Sp'ncer	10	Cap Counties	3½	Kloof	100
Distillers	13	Midland Bank	22	E.P.	8	Lonrho	12
Dunlop	7½	Nat'West Bank	20	Land Securities	18	Loraine	65
Eagle Star	13	"Do" Warrants	10	MEPC	10	Poseidon	55
E.M.I.	17	P & O Dfd	11	Peachey	5½	Pres. Steyn	200
Gen. Accident	16	Plessey	6	Town & City	3½	Rio T. Zinc	17
Gen. Electric	13	R.H.M.	6	Town & Comm.	4	Welkom	55
Glaxo	35	Rank Org. 'A'	18			West Areas	40
Grand Met	7	Reed Int'l	23	Oils		Western M'ng.	18
G.U.S. 'A'	17	Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (47)

BRITISH FUNDS (3)
Treas. 6½pc 1976 — Treas. 9pc 1978
Treas. 6¾pc 1977

CORPORATIONS (1)
Liverpool 7pc 1976-77

COMMONWEALTH (1)
N. Zealand 4pc 1976-78

AMERICANS (6)
Bendix Cpn. — Rexnord
Carborundum — Singer
City Inv. — TRW Inc.

CANADIANS (2)
Hudson Bay Oil Gas — Pacific Petroleum

BUILDINGS (4)
Clark and Fenn — Nottingham Brick
Norwest Holst — Whatlings

CHEMICALS (1)
Ciba Geigy SpcCnv. 1982-95

STORES (2)
Dixons Photographic — Weston Pharms.

ELECTRICALS (2)
Allied Insulators — Cohen Bros.

ENGINEERING (4)
Acrow (Eng.) 'A' — Morris (H.)
Brockhouse — Victor Prods.

FOODS (5)
Adams Foods — Stocks (Jos.)
Meat Trade Supplies — Tavener Rutledge
Squirrel Horn

HOTELS (1)
Stakis (Reo)

INDUSTRIALS (8)
Caravans Intl. — Howard Tenens
Dunbee-Combex-Marx — Spear (J. W.)
Gibbons Dudley — Mitchell Cotts Trans.
Hanson Trust — Wedgwood

MOTORS (1)
Manchester Garages

PAPERS (2)
Collett, Dickinson Pce. — Geers Gross

SHOES (2)
Newbold and Burton — Pittard

TEXTILES (1)
Tricoville

TRUSTS (1)
Akroyd and Smithers

NEW LOWS (7)

FOODS (1)
FMC

PAPERS (1)
Delyn

SHIPBUILDERS (1)
Swan Hunter

MINES (4)
Doornfontein — Western Deep
West Drie. — Unisel

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	42	14
Corpns. Dom. and Foreign Bonds	5	9	59
Industrials	232	354	1,149
Financial and Prop.	35	216	329
Oils	4	9	21
Plantation	5	19	32
Mines	27	37	83
Recent Issues	3	11	29
Totals	312	668	1,707

BASE LEN[DING] RATES

Allied Irish Banks
Anglo-Portuguese B[ank]
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone
Barclays Bank
Barnett, Christie Lt[d.]
Bremar Holdings
Brit. Bank of Mid. E[ast]
■ Brown Shipley
Canada Permanent
Cayzer, Bowater Co.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credit
Co-operative Bank
Corinthian Securitie[s]
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trus[t]
Greyhound Guarant[y]
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Sc[otland]
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Merc'tile Cor[p.]
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westmins[ter]
Northern Comm. Tr[ust]
Norwich General Tr[ust]
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept[ances]
Schlesinger Limited
E. S. Schwab
Security Trust Co. L[td.]
Shenley Trust
Standard Chartered
Thames Guaranty
Trade Development B[ank]
Twentieth Century B[ank]
United Bank of Kuw[ait]
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepti[ng Houses] Committee.
* 7-day deposits 5½%. 1-mont[h] 5¾%.
† 7-day deposits on sums of [£10,000 and] under 5½%, up to £25,000 [...] over £25,000 6½%.
‡ Demand deposit 7%.
• Call deposits over £1,000 5[...]

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 9¼ per cent. (since February 6, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a large amount of Treasury bills and corporation bills from the Discount houses. Banks carried forward run-down balances and the market was also adversely affected by a net take-up of Treasury bills and maturing local authority bills. On the other hand an unexpectedly large amount of Government disbursements exceeded revenue payments to the Exchequer and there was also an increase in the note circulation.

Discount houses paid 8¾-9 per cent. for secured call loans in the early part, and closing balances were generally taken at around 8½-8¾ per cent.

In the inter-bank market overnight loans commanded 8½-8¾ per cent. at the start and touched 8¾-9 per cent., before easing to 8-8½ per cent.

Short-term fixed period interest rates were generally firmer. Discount houses buying rate for three-month Treasury bills finished at 8⅞-8 25/32, compared with 8 35/32-8⅞ per cent. previously.

Rates in the table below are nominal in some cases.

Feb. 19 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	8-9	—	—	—	9-10⅛	8½-9¾	—	—	—
2 days notice	—	—	8½-8¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	8½-9	8½-8¾	—	—	—	8½-8¾	—	—	—
One month	8⅞-8½	8⅝-8⅞	8¾-8⅞	9½-9	8¾-9⅛	—	8½	8¹¹⁄₁₆-8⅝	8⅝	10-9⅝
Two months	8⅞-8⅝	8¾-8⅞	—	9½-9	8¾-9⅜	—	8⅝	8⅞-8¾	8⅞	10-9⅝
Three months	9-8⅞	8⅞-8⅞	9	9¼-9	8¾-9⅛	—	8⅝	8⅞-8⅞	8¾	10-9½
Six months	9⅛-9⅛	9-9⅛	9⅛-9⅜	9¼-9	8¾-9⅜	—	—	—	8¾	10-9¼
Nine months	9½-9⅛	9⅛-9½	—	9⅞-9½	10	—	—	—	—	—
One year	9⅞-9⅝	9⅞-9⅞	10¼-10⅛	10⅛-10	10-10½	—	—	—	—	—
Two years	—	—	11¼-11⅜	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. • Longer-term local authority mortgage rate nominally three years 11¾-12 per cent.; four years 12-12¼ per cent.; five years 12¼-12½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 8¹³⁄₁₆ per cent.; and four-month trade bills 10-9½ per cent. Approximate selling rate for one-month Treasury bill 8⅝-8½ per cent.; two-month 8²³⁄₃₂-8⅝ per cent.; and three-month 8¹¹⁄₁₆ per cent. Approximate selling rate for one-month Bank bills 8¹¹⁄₁₆ per cent.; two-month 8²³⁄₃₂-8¹¹⁄₁₆ per cent.; and three-month 8²³⁄₃₂-8¹¹⁄₁₆ per cent.; for one-month trade bills 9½-9¼ per cent.; two-month 9½-9¼ per cent.; and three-month 9½-9¼ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11 per cent. from February 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 8.5544 per cent.

CORAL INDEX
Close 397-402

I.G. INDEX
GOLD 128¾-131¼

INSURANCE B[ASE] RATES

† Atlantic Assurance
Cannon Assurance
Address shown under Insur[ance and] Property Bond table.

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AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

(R.A.)	23	-2	Lovell's Ship El.	80		Carroll (P. J.)	122	+4
McHdy.	61		N'thn. Goldsmith	88		Clondalkin	42	-1
Fr'k.10p.	26		P.M.A.	54	+1	Concrete Prods.	85	
	8		Pearce (C. H.)	80		Goodbody (£1)	34	
	40		Peel Mills	12½		Helton (Hldgs.)	33	
Pkg. 5p.	16		Richards 10p	19		Irish Distillers	63	
Seed 50p.	146		RobbCaledon5h	44	+2	Irish Wire	40	
& Sons	12		Sayers 12½p	17		Jacob	70	
(L.)	76		Sheffield Brick	68		Sunbeam	14	
			Sheff. Refrshmt.	140		Unidare	72	

OOD PRICE MOVEMENTS

	Feb. 19	Week ago	Month ago
ON	£	£	£
Danish A.1 per ton†	1,030	1,030	1,030
British A.1 per ton†	980	940	980
Irish Special per ton†	930	930	980
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	930	938	980
TER (packet)			
NZ per 20 lbs†	8.05-8.11	8.05-8.11	8.05-8.11
English per cwt†	45.39-47.77	45.39-47.77	45.39-47.47
Danish salted per cwt†	47.63-49.31	—	47.63-49.31
ESE¶			
English cheddar white rindless per tonne	—	1,008.33	—
NZ per tonne	846	846	847.77
S*			
Home-prod. Standard	3.20-3.30	3.20-3.30	2.60-2.85
Large	3.30-3.40	3.40-3.45	2.90-3.20
	Feb. 19 per pound	Week ago per pound	Month ago per pound
F	p p	p p	p p
Scottish killed sides (ex KKCF)	3.60—39.0	37.0—39.0	38.0—40.0
Eire forequarters	28.0—31.0	29.0—31.0	28.0—29.0
Argentine chilled rumps	—	—	—
B			
English	34.0—40.0	34.0—40.0	30.0—36.0
NZ PLs-PMs	30.0—32.5	30.0—32.0	—
(all weights)	28.0—38.0	29.0—38.0	28.0—38.0
TON			
English ewes	17.0—24.0	17.0—22.0	16.0—20.0
LTRY			
Broiler chickens	21.0—27.0	21.5—26.0	21.0—26.0

London Egg Exchange price per 120 eggs. † Delivered. delivery February 22-29.

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98¹³⁄₁₆	92¾	Treasury 6½pc 1976‡‡	98¹³⁄₁₆xd	+1⁄32	6.58	8.95
99	97	Victory 4pc 1976‡‡	98⅝xd	......	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	101¼	......	10.38	8.86
97¼	88⅞	Treasury 6¼pc 1977‡‡	97¼xd	+⅛	6.41	8.74
97¼	86¼	Electric 3pc '74-77	97¼xd	......	3.08	5.70
103¼	96⅞	Treasury 11½pc '77‡‡	102⅝xd	–¼	11.20	9.70
94	84	Treasury 3pc '77‡‡	93⅛	......	3.21	7.10
93⅞	84⅛	Transport 4pc '72-77	93⅛	......	4.28	7.93
98¾	90½	Treasury 9pc 1978‡‡	98¾xd	+¼	9.13	9.80
101¾	96	Treasury 10½pc '78‡‡	101⅛	–1⁄16	10.38	9.95
92½	79	Exchequer 5pc '76-78‡‡	92xd	......	5.43	8.50
103¼	94¾	Treasury 11½pc '79‡‡	103¼xd	–¼	11.15	10.29
87	71⅛	Treasury 3pc '79‡‡	87xd	......	3.45	7.19
87⅞	73⅞	Electric 4¼pc '74-79	87⅞xd	......	4.85	8.30
100¾	94½	Treasury 10½pc '79‡‡	99¾	–⅛	10.56	10.65
99¾	95¾	Do. 10½ 1979 'A'	99¾	–⅛	10.56	10.65
86⅝	71	Electric 3½pc '76-79	86¼	......	4.06	7.80
95¾	84	Treasury 9pc 1980‡‡	95⅞xd	–1⁄16	9.39	10.28
95¾	89¾	Treasury 9½pc '80‡‡	95⅝	–1⁄16	9.93	10.80
95¾	92¾	Treasury 9½pc 1980 'A'	95⅝	–1⁄16	9.93	10.81
86	68¼	Treasury 3½pc '77-80	85⅛xd	......	4.11	7.60
87⅞	71	Funding 5¼pc '78-80‡‡	86⅛	......	6.10	9.20
103¾	94¾	Treasury 11½pc 1981	102⅝	–¼	11.21	10.77
		Five to Fifteen Years				
86	66⅛	Treasury 3½pc '79-81	84⅛xd	–¼	4.16	7.35
92	72⅝	Do. 8½pc '80-82‡‡	91½	–½	9.38	10.66
107¼	86⅝	Treasury 12pc 1983‡‡	101¼xd	–½	11.70	11.46
79⅞	58	Funding 5½pc '82-84‡‡	78⅞	–⅝	7.02	9.44
86⅛	61⅞	Treasury 8½pc '84-86‡‡	85¼	–⅝	10.08	11.08
74⅞	51⅞	Funding 6½pc '85-87‡‡	73¼	–⅝	9.12	11.02
77⅛	53	Treasury 7¾pc '85-88‡‡	75¼	–⅝	10.37	11.73
51¼	32⅞	Transport 3pc '78-88	49⅛	–¼	6.11	10.41
59½	39¾	Treasury 5pc '86-89	57½	–½	8.97	11.49
102	96	Treasury 13pc 1990‡‡	99½	–¾	13.24	13.26
75⅞	53¼	Treasury 8¼pc '87-90‡‡	73⅝	–½	11.41	12.46
		Over Fifteen Years				
60	41⅞	Funding 5¾pc '87-91‡‡	58	–½	10.30	12.22
99	65½	Treasury 12¾pc '92‡‡	96¼	–⅝	13.39	13.47
97½	83⅝	Treasury 12½pc '93‡‡	94¼	–¾	13.44	13.56
95¾	95¼	Treas. 12½pc 1993 'A'*	95¼	......	13.16	13.24
56	40½	Funding 6pc 1993‡‡	52¼xd	–¼	11.29	12.74
75⅞	54⅛	Treasury 9pc '94‡‡	72⅛	–½	12.73	13.31
36½	24¼	Gas 3pc '90-95	34⅞	–¼	8.80	11.71
102	75	Treasury 12¾pc '95‡‡	97¼	–¾	13.58	13.63
75⅞	54¾	Treasury 9pc '92-96‡‡	68⅞xd	–½	12.96	13.43
35½	26½	Redn. 3pc 1986-96	34	–¼	9.14	11.67
100¾	86¼	Treasury 13¼pc '97‡‡	97¼	–¾	13.70	13.72
101½	87⅛	Do. 13¼% '97 'A'	99¼	–¾	13.74	13.75
69⅞	53½	Treasury 8¾pc 1997‡‡	66¼xd	–½	13.06	13.48
55⅞	40¾	Treasury 6¾pc '95-98‡‡	55⅝	–½	12.66	13.35
75⅛	54¼	Treasury 9½pc 1999‡‡	72½	–½	13.27	13.55
31½	22	Funding 3½pc '99-04	29⅞	–¼	11.65	12.78
65	47	Treasury 8pc '02-06‡‡	62⅝	–½	13.42	13.57
46½	33	Treasury 5½pc '08-12‡‡	41¼xd	–⅝	13.16	13.33
60¼	43⅛	Treasury 7¾pc '12-15‡‡	57⅜	–½	13.54	13.60
		Undated				
29⅞	22⅛	Consols 4pc	28¾	–¼	14.01	—
27⅞	20⅛	War Loan 3½pc‡‡	26¾	–¼	13.47	—
29⅞	22⅞	Conv. 3½pc '61 Aft.	27¾	–¼	13.26	—
23¼	17½	Treasury 3pc '66 Aft.	22⅝	–¼	13.96	—
19⅝	14¼	Consols 2½pc	18⅝	–⅛	13.65	—
19½	14¼	Treasury 2½pc	18¾	–⅛	14.06	—

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 61¼% (based on $2.0241 per £)

CANADIANS

[illegible]

S.E. List Premium 61¼% (based on $2.0102 per £)
Conversion factor 0.6211 (0.6143)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

هكذا صدر الأصل

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¾	250	Durban Deep R1	365	......	Q20c	ϕ	3.0
£14	440	E. Rand Prp. R1	440	−10	Q35c	ϕ	4.4
105	14	Rand Leases 2½c	14	......	—	—	—
£33½	£12¾	Randf'tn Est. R2	£12¾	−¼	—	—	—
500	110	West Rand R1	115	−5	Q10c	ϕ	4.8

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	160	Bracken R1	170	+2	Q52c	1.0	16.9
23	5	Daggafontein 50c	7	......	—	—	—
105	22	East Dag R1	22	......	—	—	—
—	—	Grvtl. Areas 5c	140#	......	—	—	—
380	85	Grootvlei 30c	95	+2	Q20c	ϕ	11.6
820	340	Kinross R1	340	−5	Q54c	1.4	8.8
90	52	Leslie 70c	56	−1	Q18c	1.4	17.8
550	130	Marievale 70c	140	......	Q42c	ϕ	16.6
725	125	S. African Ld. 35c	150	+5	Q30c	ϕ	11.1
265	74	Vlakfontein R1	75	......	Q20c	ϕ	14.7
£13¾	660	Winkelhaak R0	660	−5	Q108	1.1	9.0
120	28	Wit. Nigel 25c	30	+1	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	550	Blyvoor 25	550	......	†Q100c	1.3	‡
£21½	£11	Buffels R1	£11½	−¼	Q180c	1.4	8.6
430	148	Deelkraal R0.20	148	−4	—	—	—
£14¾	535	Doornfontein R1	535	−15	†Q110c	1.4	‡
£12¾	725	East Drie R1	790	−15	Q75c	ϕ	5.2
380	225	Elandsr'd Gld Mng 20c	225	......	—	—	—
450	145	Elsburg R1	150	+2	Q33.8c	ϕ	12.5
£31	£13	Hartebeest R1	£13½	......	Q215c	1.4	8.8
£13¼	530	Kloof Gold R1	550	−5	Q55c	1.4	5.5
£17¼	480	Libanon R1	485	−5	†Q110c	1.9	‡
£13¼	450	Southvaal 50c	450	−20	Q8c	ϕ	1.0
480	200	Stilfontein 50c	203	−7	Q36c	ϕ	9.8
£33¾	£16¼	Vaal Reefs 50c	£16¼	−¾	Q175c	ϕ	6.0
£11½	280	Venterspost R1	290	......	†Q70c	1.9	‡
£55	£27½	W. Drie R1	£27½	−½	†Q485c	1.2	†
745	215	W'st'rn Areas R1	215	−5	Q52c	ϕ	13.4
£23	£11½	Western Deep R2	£11½	−½	Q147½c	ϕ	7.1
536	240	Zandpan R1	240	−5	Q35¼c	1.0	8.2

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	100	Fr. State Dev. 50c	100	......	Q14c	1.6	7.7
£32¾	£18¾	F.S. Geduld 50c	£19½	−¼	330c	1.3	9.3
265	86	F.S. Saaiplaas R1	85	−2	26c	2.6	3.9
960	390	Harmony 50c	410	......	Q77c	1.8	10.4
575	100	Loraine R1	113	+3	Q6c	0.5	2.9
£28¾	£15	Pres. Brand 50c	£16	−¼	Q250c	1.3	6.6
£25¾	925	Pres. Steyn 50c	925	−25	Q125c	2.2	7.5
£39¾	£18¾	St. Helena R1	£19¾	−½	Q250c	1.2	7.2
340	125	Unisel	125	−3	—	—	—
525	245	Welkom 50c	285	−15	Q55c	1.7	10.7
£40	£21½	W. Holdings 50c	£23½	−½	Q475c	1.2	11.6

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	298	Ang. Amer. 10c	300	−7	Q29c	2.0	5.3
£45½	£24½	Ang. Am. Gold R1	£25xd	−½	Q260c	ϕ	5.8
£16¼	850	Ang-Vaal 50c	£11	......	†Q95c	3.7	4.2
205	87	Charter Cons.	150	......	6.21	2.2	6.4
290	175	Cons. Gold Field	180	......	6.7	4.3	5.7
32	17	E. Rand Con. 10p	19	......	0.92	1.4	7.5
435	230	Geduld Inv. R1	260xd	......	Q40c	ϕ	8.5
£38¾	£17	Gen. Mining R2	£19½	......	†Q210c	2.1	6.0
£39	£17¾	G. Fields S.A. 25c	£18	+¼	Q225c	1.3	7.0
£27¾	£12	Jo'burg Cons. R2	£16¼	......	Q165c	2.5	5.6
530	260	Middle Wit 25c	270	......	†Q28c	2.0	5.7
315	182	Minorco SBD1.40	198	......	†Q14c	—	‡
305	115	New Wit 50c	115	......	Q20c	1.6	9.8
£11	710	Patino NV Fls 5	810	......	QC40c	10.5	2.4
£11	610	Rand Selection 50c	620	+10	Q75c	1.5	6.7
695	320	Selection Trust	480	......	14.0	2.0	4.5
450	165	Sentrust 10c	170	......	Q30c	1.2	9.8
81	27	Silvermines 2½p	59	......	‡a4.0	1.6	‡
170	95	SW Africa 20p	120	......	17.87	2.0	22.9
£14	560	Tvaal. Cons. Ld. R1	950	......	Q65c	2.0	3.8
475	195	U.C. Invest R1	205xd	+10	Q36c	ϕ	9.7
580	340	Union Crp. 6.25c	340	−5	Q42c	1.6	6.8
105	30	Vogels 2½c	58	−2	†Q6c	1.0	5.9

DIAMOND AND PLATINUM

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£35	£15¾	Anglo Am. Inv. 50c	£25	+½	Q290c	1.0	6.4
146	48	Bishopsgate Plt. 10c	85	+5	†Q4.5c	ϕ	2.9
335	161	De Beers Df. 5c	270	+2	Q25c	2.2	5.1
£17	£11½	Do. 40pc Pf. R5	£13	......	1.10	25.5	8.3
152	80	Lydenburg 12½c	86	+6	Q2.9c	1.5	1.9
248	100	Pot. Plat. 2½c	138	+8	Q5c	1.0	2.0
212	94	Union Plat. 10c	119	+1	Q4.96c	1.0	2.3
212	95	Waterval 5c	118	......	Q5.2c	1.0	2.4

CENTRAL AFRICAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
345	102	Coronation 25c	105	......	Q34c	2.1	17.9
250	105	Falcon Rh. 50c	105	......	†Q35c	1.3	—
52	28	Globe Phnix 12½p	28	......	1.25	0.2	6.9
24	14	Rho-Corp 16⅔p	14	......	Q5	8.0	6.0
440	150	Roan Cons. K4	160	......	†Q16.0	4.7	‡
230	92	Tanganyika 50p	158	......	‡Q26	1.2	‡
75	60	Do. Pref. 80p	65	......	Q9	18.0	11.6
48	26½	Wankie Col. Rh.1	33	+1	Q6½c	1.3	10.0
70	31	Zam. Cpr. SBD0.24	35	......	Q1.90	3.2	5.4

AUSTRALIAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
28	10	Acmex 25c	20	......	—	—	—
144	95	A. M. and S. 50c	141	+1	Q7c	ϕ	2.9
122	74	Bougainville 50c	115	+1	Q10c	ϕ	5.0
242	145	BH South 50c	175	......	—	—	—
215	50	Gold M. Kalg. $1	50	......	—	—	—
137	60	Hamptn Areas 5p	64	......	1.18	4.2	2.8
115	30	Metals Ex. 50c	44	......	—	—	—
43	14	Metramar 20c	16	......	—	—	—
246	117	M.I.M. Hldgs. 50c	215	+5	‡Q10c	1.8	2.6
135	80	M. Lyell 25c	80	......	‡Q5c	ϕ	‡
3	1½	Newmetal 10c	2½	......	—	—	—
169	102	North B. Hill $1	151	......	Q9c	1.4	3.4
16½	6	North Kalg. 30c	7	......	—	—	—
88	47	Oakbridge $A0	72	+2	Q8c	0.9	6.4
21	8	Pacific Cppr. 25c	16	......	—	—	—
£19½	220	Pancont'l 25c	£13½	−½	—	—	—
25	9	Paringa Mg. & Ex. 5p	15	+1	—	—	—
535	235	Peko-Walls'd 50c	510	......	Q15c	ϕ	1.7
345	144	Poseidon 20c	150	......	—	—	—
26	8	Vulcan Min. 50c	12	......	—	—	—
9	4	Westmex 10c	6	......	—	—	—
214	137	W. Mining 50c	150	......	‡Q8c	0.8	3.9
54	24	Whim Creek 20c	40	......	—	—	—

TINS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	39xd	+1	5.62	1.6	†
186	77	Ayer Hitam	185	−1	13.0	1.8	10.8
36	10	Beralt Tin	21	−1	Z1.75	—	12.8
424	268	Berjuntai SM25	335	......	‡QSM2	ϕ	‡
18	13	Ex Lands 10p	14	......	15	3.8	16.5
246	153	Geevor	175	......	‡12	2.3	‡
18	8	Gold & Base 12½p	11	......	—	—	—
288	157	Gopeng Cons.	193	−2	11.0	ϕ	8.8
73	55	Hongkong	64	......	—	—	—
69	40	Idris 10p	68	......	6.7	2.2	15.2
11	6	Jantar 12½p	6	−½	—	—	—
68	31	Kamunting 15p	37	......	‡7.0	1.2	‡
180	135	Killinghall	180	......	Q50.0	ϕ	27.8
192	106	London Tin 20p	153	......	7.0	1.3	7.0
220	93	Malay Dredging	183	−2	10.7	2.0	9.0
41	22½	♦Pahang	27	+2	Qh2.6	ϕ	14.8
65	40	Pengkalen 10p	50	......	7.0	ϕ	21.5
112	75	Petaling SM1	110	−2	—	—	—
26	8	Saint Piran	26	......	—	—	—
135	68	South Kinta (10p)	78	......	‡9.5	1.5	‡
180	73	Sthn. Malayan	120	−2	10.7	0.9	13.8
83	31	Sungei Besi 20p	34	......	‡6.0	3.0	‡
43	29	Sungei Way SM1	31	......	ZQ10	—	5.6
84	40	Tanjong 15p	47	......	4.0	ϕ	13.1
75	46	Tongkah Hb $M1	46	......	Q23½c	0.6	9.6
93	42	Tronoh	68	−2	‡4.02	3.5	9.1

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST P2	56	......	—	—	—
390	196	Messina R0.50	235	+5	Q35c	1.9	8.2

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	31½	+1	—	—	—
880	360	Cons. Murch. 10c	720	......	Q80c	ϕ	6.1
53½	29½	Lonrho	38½	......	—	—	—
470	200	Northgate C$1	410	−45	‡Q25c	1.0	3.4
211	80	R.T.Z.	186	+2	g5.51	4.4	4.6
135	47½	Sabina Inds. C$1	104	−1	—	—	—
81	45	Silverton Mines$	45	......	—	—	—
£12½	874	Tara Exptn. $1	£11⅛	−⅛	—	—	—
118	38	Yukon Cons. C$1	117	+7	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ■ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES
Friday February 20 1976

BID TO MINIMISE DELAYS IN POWER STATION CONSTRUCTION

CEGB audits 1,000 suppliers

BY DAVID FISHLOCK, SCIENCE EDITOR

THE Central Electricity Generating Board is proposing to audit the performance of about 1,000 U.K. engineering companies, in an attempt to minimise the risk of costly delays in power station construction in future.

The full audit, by CEGB engineering services division, will cover the managerial and financial competence as well as the technical competence of the companies.

But the Board stresses that the audit will be carried out in co-operation with each company, and the report will be agreed with the company and will in no sense result in a secret dossier on its supplier.

It has already begun to audit about 500 suppliers for competence in quality assurance and programme management, in connection with the new 4,000 MW nuclear programme based on the "steamer" (steam generating heavy water reactor), and it plans to issue its first "certificates of compliance" later this year.

Later it will extend the audits to cover management of the design process through all stages from the drawing board to the production lines.

Its certificate of compliance will also stand the company in good stead in export markets, the Board claims, because of the high reputation enjoyed overseas by the standards of engineering demanded by U.K. electrical utilities.

In a presentation on the management of large-scale high-technology at the Institution of Electrical Engineers last night, Mr. Robert Paddie, CEGB member responsible for technology, outlined the circumstances that had led his Board to implement an elaborate system of auditing, covering not only its contractors but its own design and construction performance.

The cost of a delay in the completion of a large modern power station was so high, said Mr. Peddie, that it was "impossible to devise any contract in which potential excess costs incurred by the Board due to poor contractor performance can ever be recovered from the contractor, even by taking over the full assets of the company."

He illustrated his point with the example of a 2,000MW station costing about £350m., the main contracts for which would be worth about £50m. apiece. If one of the main contractors defaulted, causing the project to fall a year behind, it would cost the Board between £59m. and £84m. in interest charges, contract price adjustment, and time-dependent costs.

In addition, there was the expense of replacing the missing electricity from older, less efficient sources—£30m. for a fossil-fuel plant, and £110m. for a nuclear plant.

But all the CEGB could expect to recover from its defaulting contractor, said Mr. Peddie, was £2.5m. in liquidated damages liability (at 5 per cent.).

New CEGB stations which have been seriously delayed include Hinkley (nuclear), 45 months late in generating its first electricity, Fiddler's Ferry (coal) 35 months late, and Drax (coal), 33 months late.

A study carried out by the CEGB of the reasons for these long delays has established that for every £10,000 that the Board and its contractors failed to spend at the design stage, costs of the order of £1m. could be incurred for design, manufacture and associated time-dependent costs at a later stage in the project.

Iceland breaks with Britain

BY OUR FOREIGN STAFF

ICELAND last night broke off diplomatic relations with Britain. It is not only the first diplomatic break in the three cod wars between the two countries, but also the first between two Nato countries in the 26-year history of the alliance.

A Note handed by the Icelandic Charge d'Affaires yesterday to the the Foreign Office gave the presence of British frigates within Iceland's unilaterally declared 200-mile zone and the activities of British trawlers on the Icelandic fishing banks as the reasons for the break.

The Foreign Office said that by this action Iceland had once more worsened the dispute.

In Brussels, Dr. Joseph Luns, the Nato Secretary General, said that he was willing and ready to continue his mediation role.

New points

Dr. Luns had put to the Icelanders new points made to him by British Ministers in London on February 11. The principal one was a British invitation to the Icelanders to give an indication of how big they thought the British catch should be. But there has been no reply to any of the points.

Yesterday saw the first British casualty in the present cod war when a warp of the trawler Royal Lincs, cut by a gunboat, whipped back on board. A crewman suffered what British sources described as "serious back injuries."

Following formal notification of the break in diplomatic relations, theNATO Council met in Brussels in special session, and expressed its "deep regret."

Reykjavik view

Jon H. Magnusson writes from Reykjavik: The announcement breaking-off diplomatic relations was made during a very delicate wage dispute and the most serious General Strike in the history of the country.

The French Embassy in Reykjavik prepared to take over responsibility for British interests in Iceland.

Mr. Kenneth East, British Ambassador, will leave Iceland in a few days. The newly-appointed Icelandic Ambassador to Britain, Mr. Sigurdur Bjarnasson, is still in Iceland.

The man to be in charge of British affairs, Mr. Eric Young, First Secretary at the Embassy, will be a Consul-General in the French Embassy.

THE LEX COLUMN

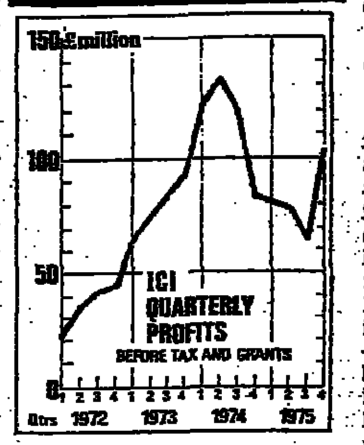
The debt interes burden

The projected 2.5 per cent. growth in public spending for 1976-77 (actually more than the 2.1 per cent. growth estimated for the current year) had been well leaked around the Stock Market, so there was little immediate reaction to the publication of the White Paper yesterday afternoon. But the document, even if the targets were achieved, still implies too high a level of public sector spending. The tax burden will continue to increase and it looks as if the public sector wil ble borrowing on a substantial scale for the rest of the decade. If the later projections for public spending are to be believed the borrowing requirement will fall back from a projected peak of £11-12bn. in 1976-77. However, there is little reason to feel confident when short-term slippage continues to be so great; planned spending for 1976-77 has now escalated to 2.9 per cent. above the last Budget projection.

At least the Treasury has this year woken up to the problem of debt interest which is granted a section in the White Paper all to itself—suitably enough, when at £5bn. it accounts for a tenth of all public spending. Last year the White Paper was smugly assuming that the real burden of debt service would fall, but now the Treasury, embarrassingly, has had to write up its funny money estimate of 1978-79 debt interest by 80 per cent. (to 13 per cent. of public spending).

The White Paper still argues that debt interest produces a relatively low demand for real resources, which could be sinister if it implies an unwillingness to pay a real reward to investors. But the figures illustrate the Treasury's need—if it really believes that inflation is in long-run decline—to find a more flexible method of financing the deficit than through fixed coupon gilts. Company treasurers will understand the problem.

Index fell 0.6 to 396.7



ICI

ICI's shares rose 7p to 384p yesterday—a 15 per cent. gain this year—and the increasing number of bulls will find plenty of further encouragement in the 1975 results. The fourth quarter total, pre-tax and grants, is £103m. (including £16m. of currency gains) against £66m. (£13m.) in the preceding three months, which leaves the full-year total £128m. down at £327m. Although ICI lost money on fibres throughout the year and suffered a downturn of about £65m. into the red on the Continent, this is a much better performance than has been or is likely to be reported by the other European majors—reflecting ICI's broader base. The main recovery so far has come from exports, up again to the quarterly levels of summer 1974, and in overseas subsidiaries, while bulk chemicals experienced an especially strong final quarter, and plastics showed signs of moving "modestly" ahead again.

So far in 1976, there are indications of a "marked" recovery in demand and prices in U.S. fibres, though the continuing over-capacity on the Continent may limit the rate of pick-up there. Against this background, external projections for 1976 profits have been revised upwards to not far short of the 1974 outcome.

Even last year, however, net cash flow was £313m. compared with fixed investment of £332m. and additional working capital of £60m., so after large overseas borrowings the group finished 1975 with almost unchanged liquid resources of £200m. This puts rights issue speculation in its proper perspective: anyway the group intends to raise the money needed for the North Sea independently of the chemical business, probably through the banking system like recent similar moves. Overall, there is nothing to undermine the strength of the shares though a yield of 4.8 per cent. is below the market average.

Incidentally, ICI continues to provide a CPP statement, showing pre-tax profits £250m. lower than on a historic basis and its estimate of the impa is that it would pro sult "not significantly on a CPP basis.

See also Page

THF

Trust Houses Fort for 1974-75 are £3½m. a comparable pre-ta: £12.87m., which is £1½m. more than mc expectations. Up 5 last night, the sh risen by a quarter But THF's balance-s ing remains as massi —there is a £5m. below the line agains loans. The group t has now moved up normal levels, and a net worth has fallen dividend stayed put where it is covered times by earnings share.

THF claims to h progress in all areas, manufacturing where late activities had t with the hot summ occupancy rates have both at home and abr ing has managed momentum in moto airports to absorb the of the main restauran the leisure activities a steady year. This low season first quart stantially" ahead o patch this time a year a market capitalisation still relies heavily on 8.7 per cent.

See also Page

Rank Org.

The new-look all-w Organisation still re of its bad old habits report fails to give quate explanation of ing £11.7m. pre-inter Rank Radio Int giving this item less say, film laboratorie losses are indicate there should be decline in the rate the second half. An colour TV has produ thing of a bonanza fo Australia, where pr from nil to £5.6m., bu times there will sca longer than a year o balance sheet, meanwh debt up from £250m. despite the £27m. off receipts, and net cash just £4m. At 148p shares continue to be by heavy U.S. selling

See also Page

Query over United Drapery accounts

By Michael Lafferty, City Staff

MR. A. BRIAN WILSON, finance director of United Drapery Stores, who is a chartered accountant, has been asked by the Institute of Chartered Accountants in England and Wales to explain his company's failure to comply with one of the new accounting standards in its 1975 annual report.

The institute also wants to know why the auditors, Viney Merretts, had not qualified their report on account of UDS's departure from Accounting Standard 6, which sets out to eliminate the practice known as reserve accounting. This has generally involved treatment of extraordinary items of income and expense and adjustments to reserves rather than showing them as a separate item in the profit and loss account, as now required by the accounting standard.

The investigation concerns UDS's accounts for the year to ebruary 1, 1975, which show a deduction for extraordinary items of only £1,000 in the profit and loss account. However, Note 7 to the accounts shows that total extraordinary items amounted to £2.7m. including a £2.2m. write-off in respect of a deposit with the now-failed London and County Securities. All this, except for £1,000, was offset by a transfer from reserves.

Mr. Wilson confirmed that the institute had queried this treatment, but said that contrary to his advice the UDS Board of directors had decided it did not agree with the accounting standard in this particular case.

Mr. B. C. Dixie, senior partner of Viney Merretts, said that his firm did not consider that the UDS accounting treatment differed sufficiently from Accounting Standard 6 to warrant a qualification in the audit report. "It was a marginal decision."

The UDS case is thought to have been one of the most clear-cut of about 20 cases of alleged breaches of accounting standards investigated by the institute in the past two years as part of its increasing commitment to monitoring accounting standards. In each case it has relied on a policy of persuasion to bring about improvements in later years.

Mr. Wilson is believed to have been asked to supply the institute with a copy of UDS's 1976 annual report and accounts.

'Madness' to commit troops in Rhodesia, says Ennals

BY DAVID BUCHAN

UNDER NO circumstances will British troops be used to protect the Smith regime in Rhodesia, Mr. David Ennals, Minister of State at the Foreign Office said yesterday.

Mr. Ennals's remarks followed speculation in Westminster that a statement by Mr. James Callaghan, Foreign Secretary, on Wednesday, hinted at the possible use of British troops in the event of an attack on Rhodesia by Cuban-led troops based in Angola or any other insurgent guerilla force.

"No British Government, of whatever political flavour, would commit British troops on the continent of Africa in a war on behalf of the (white) minority against the (black) majority," Mr. Ennals said in London. "It would be sheer madness to do so."

There was only one set of circumstances, Mr. Ennals told the Royal Commonwealth Society, in which Britain could become involved and that was "in policing operations after a return to legality and while an agreed settlement was being put into effect."

He added: That would be a very different situation than for us to allow Mr. Smith to suck us into a race war in southern Africa."

Mr. Ennals took pains to emphasise that there was no difference of opinion on this between him and Mr. Callaghan.

Both agreed that British responsibility for the white Rhodesians' welfare would take effect only if Mr. Smith acknowledged Britain's authority "with all that that entails" and ended his 11 years of illegal independence. Neither Minister sees any sign that Mr. Smith will do this.

Rebellion

"Let us not forget that the people who are now talking of Britain as the protector of last resort have been in rebellion against the Crown for more than a decade. Their claim on Britain's protection is valueless whilst that rebellion continues," said Mr. Ennals.

The Minister also flatly denied that a senior British official had visited Salisbury last week and offered Mr. Smith "a protection deal" if the Rhodesian leader would leave office.

But a senior Foreign Office official has recently visited Cape Town, it was revealed yesterday, before going on to Washington to discuss southern Africa.

The Cape Town talks were chiefly concerned with the almost total failure of Mr. Joshua Nkomo, leader of one section of the African National Council, and Mr. Smith to narrow the wide gap between them.

But there was only slight hope in Whitehall yesterday that South African leaders were ready to use their ultimate lever on Rhodesia—telling Mr. Smith that he could not count on South African help in a war.

The British official's talks with the State Department last week were largely taken up with this aspect of the Angolan war.

In a radio interview last night, Mr. Wilson said Britain was exerting all the pressure it can on Rhodesia for a settlement.

He emphasised that the British Government would be very much against an attempt to find a solution of the southern African problem by violence or an

MPLA demands South African withdrawal, Page 5

French interest could cost U.K. 50% of nuclear order

BY CHARLES SMITH IN TOKYO AND DAVID FISHLOCK IN LONDON

THE HITCH in negotiations between Britain and Japan over a £500m. contract for reprocessing spent Japanese nuclear fuel, which arose last October when Mr. Anthony Wedgwood Benn, Secretary for Energy, asked for more public debate before the contract was signed, could cost Britain up to half the value of the contract.

The French, who previously had shown no interest in competing for the Japanese contract, have now asked British Nuclear Fuels to discuss taking part in the project.

Britain and France, with West Germany, are partners in a tripartite organisation called United Reprocessors, formed originally to pool European reprocessing capacity.

The British company's dilemma is that if it refuses to discuss the Japanese contract with its French partners it risks all-out competition from the French for the entire contract, for 4,000 tonnes of fuel over the 1980s.

The awakened French interest follows the French Government's decision to hive off its nuclear fuel activities from the Atomic Energy Commission (CEA) last autumn, so creating an independent commercial company analogous to British Nuclear Fuels.

News of its interest comes on the eve of the arrival in London of five Japanese representatives of ERG, the Eurichment and Reprocessing Group, which is negotiating the contract on behalf of a group of Japanese electrical utilities.

Although British Nuclear Fuels still has not received approval from the British Government to sign the contract, it was optimistic that approval would be forthcoming before Easter. A public debate held in London a month ago aroused little interest from the general public, and produced no fresh arguments against what promised to be Britain's biggest-ever nuclear export order.

The French intervention, the company believes, is virtually certain to cause further delay, while the partners work out a basis for participation. One part of the contract, estimated to be worth more than £100m., is likely to remain with the U.K., which alone has the necessary facilities for transporting the spent fuel to Europe.

But the French could well expect up to 50 per cent. of the £400m. contract for reprocessing the fuel and recovering its plutonium by-product.

Another important consequence of the loss of a large part of the Japanese contract is that it would seriously affect investment plans at British Nuclear Fuels' Windscale factory. Unless it obtained other big contracts it would probably postpone construction of its proposed big new reprocessing plant.

Continued from Page 1

£2.4bn. 'cuts' in public spending

out of subsidies is having on new demand forecasts.

The cut in the defence budget is put at nearly £200m. by the target year—well below the original Treasury request for £550m. cuts.

This reflects the strong battle put up by Mr. Roy Mason, the Minister, and his defence chiefs. The White Paper says the reductions "will not impinge on the *essential* elements of our contribution to NATO."

The other area where a strong rearguard action has produced results is health and social services, where Mrs. Barbara Castle has managed to limit the planned reductions to £152m.

Reductions are scheduled for most other areas of public spending, with the notable exception of the "trade industry and employment" category.

Here, the driving force of the Government's "industrial strategy" is seen in the fact that, having already risen some £580m. in the current financial year (above last year's projections), support for industry is still expected to be running some £500m. above last year's White Paper projections in 1978-79.

The White Paper is the most important available guide to the Government's views on the medium-term prospects for the economy.

After accounting for what are regarded as the prior claims on resources stemming from industrial investment, public sector spending plans, and the need to improve the balance of payments, the Treasury indicates that over the whole period 1974 to 1979, growth of personal consumption—on any reasonable assumption about the growth rate of gross domestic product—is likely to be less than 2 per cent. a year in volume terms.

With a growth rate of just under 3½ per cent. for GDP, the growth of consumption is forecast at the historically low rate of 1¾ per cent. a year.

Because of the recession which has occurred *since 1974*, of course, there is scope for faster GDP growth—of perhaps 4 per cent. per annum after this year—on these assumptions.

Even so, officials calculate the scope for consumption growth is very limited—despite the spending cuts unveiled yesterday.

With regard to the unemployment outlook, a key table in the White Paper reveals a Treasury assumption that the number of people "receiving unemployment benefit at any one time" will rise from 700,000 in the current fiscal year to a peak of 850,000 in 1976-77, but fall to 300,000 by 1979-80.

Mr. Healey added yesterday: "By 1979 we should like to get the unemployment rate down to the 3 per cent. of 1973.

The White Paper makes no bones about the fact the Government itself now shares the general concern about rising public expenditure levels.

"In the last three years, public expenditure has grown by nearly 20 per cent. in volume, while output has risen by less than 2 per cent.," it says.

Pointing out that the ratio of public expenditure to gross national product has risen from 50 to 60 per cent. in this period, the White Paper points out that 15 years ago it was 42 per cent.

It promises that the new cuts will help to lower public spending as a percentage of national output.

Mr. Healey said yesterday that to get this ratoi down to 53 per cent. would be "very reasonable, taking Britain's circumstances." He hoped the public sector borrowing requirement would be approaching "a more normal size" of 4 per cent. of GDP by 1979.

Given the increases in public expenditure taking place even while the review was under way, the basic hope of the Government is summed up when it says that "at least during the next three years or so, no overall growth in public expenditure (excluding debt interest) is planned beyond the level now envisaged for 1976-77."

This is essentially the commitment given to the International Monetary Fund in the recent letter of application, and the relevant figure is £45.8bn. (at "1975 survey prices").

When debt interest and provisions for emergencies (the "contingency fund") are included, the total volume of public expenditure, is actually seen as *rising* over the period—from £52.5bn. in 1976-77 to £53.3bn. by 1980.

Mr. Healey was at pains to emphasise how much greater and more regular monitoring and control of public expenditure—at official and Cabinet level—would be taking place from now on.

Despite all the gaps between forecast and reality in the past, he said he was satisfied the contingency fund was now "adequate"—at £700m. for 1976-77, rising to over £1bn. by 1978-79.

Despite these expressions of confidence, and the degree to which official cash limits are being introduced for a wide range of programmes, a senior Treasury spokesman yesterday conceded that local authorities' present expenditure — about a sixth of total spending—was still a major source of concern. "We are at risk if we don't get the total support of the local authorities," he said.

Weather

U.K. TO-DAY

RAIN in S. and W. Dry elsewhere.

London, S.E. and Cent. S. England, Channel Is.
Rain at first. Bright intervals later. Wind S., light. Max. 6C (43F).

E. Anglia, Midlands, E., N.W., N.E. and Cent. N. England, S. Scotland
Fog patches. Sunny later. Wind S., light. Max. 5C (41F).

S.W. England, Wales, Lakes, I. of Man
Bright at first, rain later. Wind S., moderate. Max. 7C (45F).

N. Scotland, N. Ireland
Mainly dry in E. Rain in W. Wind S., moderate. Max. 8C (47F).

Outlook: Generally mild.

Lighting-up: London 17.53, Manchester 17.57, Glasgow 18.00, Belfast 18.10.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdam	S	8	46	Madrid	C	9	48
Athens	S	12	54	Manchestr	C	4	39
Bahrain	S	22	72	Melbourne	C	17	63
Barcelona	C	12	54	Mexico C.	S	19	66
Beirut	S	17	63	Milan	C	8	46
Belfast	C	6	43	Montreal	C	2	36
Belgrade	F	3	37	Moscow	F	2	36
Berlin	C	5	41	Munich	S	5	41
Birmingham	S	6	43	Newcastle	C	4	39
Bristol	S	5	41	New York	S	14	57
Brussels	S	11	52	Oslo	Sn	−2	28
Budapest	C	2	36	Paris	F	10	50
B. Aires	C	26	79	Perth	S	28	82
Cairo	S	22	72	Prague	C	0	32
Cardiff	S	5	41	Reykjavik	R	2	36
Cologne	S	9	48	Rio de J'o	S	30	86
Copenhagn	S	2	36	Rome	F	15	59
Dublin	C	8	46	Singapore	S	30	86
Edinburgh	C	5	41	Stockholm	C	2	36
Frankfurt	S	6	43	Strasbourg	C	1	34
Geneva	F	4	39	Sydney	C	26	79
Glasgow	C	3	37	Tehran	S	2	36
Helsinki	S	−2	28	Tel Aviv	S	21	70
Hong Kong	C	18	64	Tokyo	C	8	46
Jo'burg	S	27	81	Toronto	C	4	39
Lisbon	R	13	55	Vienna	C	0	32
London	C	4	39	Warsaw	S	2	36
Luxemb'g	S	5	41	Zurich	C	0	32

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	13	55	Las Plms	F	17	63
Algiers	F	20	68	Locarno	F	8	46
Biarritz	F	15	59	Majorca	F	13	55
Blackpool	C	5	41	Malaga	C	16	61
Bordeaux	C	15	59	Malta	S	15	59
Boulogne	S	8	46	Nairobi	S	24	75
Cape Town	S	22	72	Naples	F	13	55
Dubrovnik	C	11	52	Nassau	S	26	79
Faro	F	16	61	Nice	C	13	55
Florence	S	13	55	Oporto	F	13	55
Gibraltar	C	14	57	Rhodes	C	15	59
Guernsey	C	6	43	Salzburg	S	11	52
Innsbruck	S	4	39	Tangier	C	15	59
Inverness	C	6	43	Tenerife	F	12	54
I. of Man	C	5	41	Tunis	S	16	61
Istanbul	F	9	48	Valencia	F	16	61
Jersey	S	6	43	Venice	C	9	48

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

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مكتبة الأصل